

TOP SECRET
CABINET OFFICE

CAB 163/69

(This File must not go outside the Office.)

E
406

Date of Registration

8 DEC 1964

CAB 163/69

J 82/356 / 2 HI	File Number
Previous Reference	
For Cross References see inside of Cover	

Joint Intelligence Committee

WEST

SOVIET - MATERIAL

Travel Assistance Programme. Census Expts.

Referred to	Date	Referred to	Date	Referred to	Date
CLOSED 1967					
Yolko Ros 253a - 336					
Dale 6.3.63 - 7.8.67.					

56/2 HI

TOP SECRET

Other Files containing Matter Bearing on this Subject.

TOP SECRET

File No.

Subject

TOP SECRET

CONFIDENTIAL

FOLIO
334

SECURITY WARNINGS

1. Category 'A' Cypher telegram. Paraphrase NOT required.
2. A telegram which contains a reference to any classified telegram or correspondence must itself be classified.
3. The Cabinet Office Communications Centre (Tel. No. WHI 5422 Ext. 196/197) must be consulted if it is desired to distribute or release this telegram, or any part of it, to a person or nation who would not normally be authorised to receive it.

FROM:- WASHINGTON:-

DTG:- N F T 24.7.67

TO:- JIC LONDON

TOR:- 1714 (GMT) 24.7.67

TELNO:- 2441 TO F.O.

DATED:- 24TH JULY 1967

PRIORITY

J356/2

C O N F I D E N T I A L

FOLLOWING FOR SECRETARY JIC FROM WESTLAKE.

YOUR TELNO JICTEL 530.

CREMEANS IS EXPECTED BACK TOMORROW.

I WILL TRY TO SEE HIM THEN.

DISTRIBUTION:- SEC JIC (6)

MR. M.D. BUTLER, CHAIRMAN CIGS.

CONFIDENTIAL

CONFIDENTIAL

FOUO
333

SECURITY WARNINGS

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FROM: J.I.C. LONDON

DTG: 1050 (GMT) 24/7/67

TO: B.E. WASHINGTON

TELNO: JICTEL 530

DATED: 24TH JULY, 1967.

IMMEDIATE

5 356/2

CONFIDENTIAL GUARD

FOR WESTLAKE FROM SECRETARY JIC.
REFERENCE YOUR TEL 2402 PARAGRAPH 4.
WHITMAN SUGGESTS YOU SEE CHUCK CREMEANS.

DISTRIBUTION: J.I.C. LIMITED.

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SECRET

SECURITY WARNINGS

1. Category 'A' Cypher telegram. Paraphrase NOT required.
2. A telegram which contains a reference to any classified telegram or correspondence must itself be classified.
3. The Cabinet Office Communications Centre (Tel. No. WHI 5422 Ext. 196/197) must be consulted if it is desired to distribute or release this telegram, or any part of it, to a person or nation who would not normally be authorised to receive it.



FROM:- JIC LONDON

DTG:- 1040 (GMT) 18.7.67

TO:- B.E. WASHINGTON

TELNO:- JICTEL 508

DATED:- 18TH JULY 1967

IMMEDIATE

356/2

S E C R E T - G U A R D

FOR WESTLAKE FROM SECRETARY JIC.

WE HAVE BEEN CARRYING ON A DIALOGUE WITH THE CIA ABOUT FUTURE SOVIET ARMS POLICY IN THE MIDDLE EAST THROUGH THE AMERICAN EMBASSY HERE. CIA COULD DOUBTLESS LET YOU HAVE COPIES OF THEIR COMMENTS ON JIC (67)(SA)76. — 356/2/c

2. A DIFFERENCE OF OPINION AROSE LAST WEEK AS TO WHETHER THE RUSSIANS HAD AGREED TO THE FULL RE-EQUIPMENT OF THE UAR ARMED FORCES, THE AMERICANS ARGUING THAT THEY HAD AND THAT THEY HAD SOME INFORMATION (UNSPECIFIED) TO THIS EFFECT. WE MAINTAIN

OUR VIEW THAT THIS IS UNLIKELY. OUR LATEST ASSESSMENT WILL BE TELEGRAPHED TO YOU IN DRAFT LATER TODAY.

3. THE AMERICAN EMBASSY HERE HAVE HINTED THAT THE CIA WOULD LIKE TO DISCUSS THE MATTER WITH YOU. WE HAVE REASON TO BELIEVE THAT THEY MAY BE HOLDING BACK SOME INFORMATION FROM US. IT IS POSSIBLE THAT THEY WOULD BE ABLE TO SAY MORE TO YOU IN PERSON. WE SHOULD BE VERY GRATEFUL FOR ANYTHING THAT YOU CAN PICK UP IN TIME FOR INCORPORATION IN THE DRAFT ASSESSMENT BEFORE THURSDAY'S JIC.

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SECRET

CASE PASS FOLLOWING PRIORITY. TELEGRAM IN CIPHER TO
UKDEL NATO ONLY REPT UKDEL NATO ONLY.

330.

PRIORITY 191550Z
FM JIC LONDON
TO ZEN/NAMILCOM WASHINGTON
ZEN/SHAPE

(SA) 76- 356/2c

ZEN/SACLANT

ZEN/CINCHAN

INFO UKDEL NATO

ZEN/BDS WASHINGTON

BT

BT

N A T O S E C R E T

JICTEL 422

DATED 19TH JUNE 1967.

356/2.

Mr. Figg
Defense Supply Section

FROM SECRETARY JIC LONDON

MY JICTEL 416 DTG 161615Z - 359/2.

1. FOLLOWING RELEASABLE TO NATO UNDER CLASSIFICATION NATO SECRET.
ESTIMATE OF PRINCIPAL EQUIPMENT LOSSES INCURRED BY ARABS IN RECENT
FIGHTING SHOWN BELOW AS FIRST FIGURE AND INDICATION OF EQUIPMENT
REMAINING AS SECOND FIGURE.

2. UAR. ARMOUR INCL SP GUNS. 909/526. ARTILLERY INCL AA AND ANTI-
TANK 600/200. APC AND SOFT SKIN VEH 8300/1500. FTR/FGA AIRCRAFT
218/245. LT BOMBER 27/34. MED BOMBER 30/5. TRANS/HELI 45/86.
OSA 2/8. SUBS 2/10. TOTAL COST APPROX 175 MILLION POUNDS STERLING.

WHICH INCLUDES TECH INSTALLATIONS AND AIR FORCE GROUND EQUIPMENT
OVERRUN IN SINAI.

3. SYRIA. ARMOUR ETC 50/600. ARTY ETC 200/1600. APC ETC 600/4000.
FTR/FGA 55/11. LT BOMBER 2/1. TRANS/HELI 3/13. TOTAL COST APPROX
20 MILLION POUNDS STERLING.

4. IRAQ. NO WORTHWHILE ESTIMATE OF ARMY LOSSES CAN YET BE MADE.
BUT UNLIKELY TO BE SIGNIFICANT. FTR/FGA 14/85. MED BOMBER 3/7.
LT BOMBER 0/12. TRANS/HELI 2/72. TOTAL COST APPROX 5.5
MILLION POUNDS STERLING.

5. JORDAN. ARMOUR ETC 100/200. ARTY ETC 50/450. APC ETC 600/3400.
FTR/FGA 20/0. TRANS/HELI 8/2. TOTAL COST APPROX 5.5 MILLION POUNDS
STERLING.

6. ABOVE ESTIMATES MADE IN LIGHT OF KNOWN DISPOSITIONS AND
SCALE OF FIGHTING REPORTED. WE ASSUME HOWEVER THAT UAR, SYRIA AND
JORDAN LOST GREATER PART OF FRONT LINE OPERATIONAL AIR FORCES AND UAR
SOME 60 PER CENT OF TOTAL ARMOUR AVAILABLE AND LARGE PROPORTION OF
MILITARY VEHICLES. NAVAL LOSSES INSIGNIFICANT. OVERALL VALUE OF
SOVIET EQUIPMENT LOST PROBABLY AMOUNTS TO APPROX 210 MILLION POUNDS
STERLING.

SECRET

8/F
FOR INFORMATION.

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JIC 766/66

COPY NO. 97

CABINET

UK EYES ONLY

JOINT INTELLIGENCE COMMITTEE

356/2
135/5

THE LIKELIHOOD OF CERTAIN COUNTRIES IN THE FAR EAST RECEIVING
ARMS FROM THE USSR AND/OR CHINA DURING THE NEXT TEN YEARS

Note by the Joint Intelligence Committee

In this note we consider which of the following countries are likely to receive arms from the USSR and/or China during the next ten years:-

Burma	Laos	Philippines
Cambodia	Malaysia	Singapore
Indonesia	North Vietnam	Thailand

We also consider what types and quantities of arms they are likely to receive.

2. It is extremely difficult to forecast the course of events in South-East Asia, but, as far as we can foresee of the countries listed above, Malaysia, Philippines, Singapore and Thailand are unlikely to receive arms from the USSR or China, because of their existing ties, both political and military, with the West. Therefore we do not discuss them any further.
3. As regards the remaining countries, it is difficult to forecast with any precision what their requirements will be and the extent to which the USSR and China will be prepared to meet them. The position in each is discussed in Annexes 'A' to 'E' and we emphasise that many of the figures given are necessarily very speculative. Nevertheless present trends suggest that, at any rate in countries which are already receiving aid, it will continue and probably increase during the period under review.
4. The USSR and China will continue to give military aid, so long as it offers an opportunity to extend their power and influence. Soviet aid is on a larger scale than Chinese and includes a wider range of equipment; although it has gone chiefly to countries which seemed to offer some prospect of repayment, in some cases political factors have overridden commercial considerations. The Chinese military aid programme, though smaller than the Russian, is growing and the range of equipment China can offer is expanding. We expect her to provide an increasing proportion of Communist military aid in the future.

(Signed) KENNETH STRONG

Chairman on behalf of the
Joint Intelligence Committee

Cabinet Office, S.W.1.

6th September, 1966
DISTRIBUTION

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UK EYES ONLY

Annex 'A' to JIC 766/66

BURMA

Burma has not received any arms from either the USSR or China, although the former has been pressing her to do so for several years. She is unlikely to accept any in future as long as supplies continue to be readily available from her current sources, e.g. US, UK and France.

-1-

UK EYES ONLY

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Annex 'B' to JIC 766/66

CAMBODIA

The USSR and China both began sending arms to Cambodia in 1963-64 and so far the latter seems to have had the edge over the former.

2. The main roles of the armed forces are internal security, guerilla-type operations, and, in the case of the navy, coastal and river patrol; the airforce also has a limited capacity to protect Cambodian air-space. We would not expect any considerable changes in their functions during the next ten years.

3. In future China will probably supply all the equipment required for the ground forces, including tanks, and some more naval equipment (e.g. patrol launches). She has also promised to supply aircraft, including ~~FISHBED~~ jet fighters. The USSR is very unlikely to leave all the running to the Chinese; arms supplied by her will probably consist mainly of aircraft, radar and, later on, SAM equipment.

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UK EYES ONLY

Annex 'C' to JIC 766/66

INDONESIA

General

Indonesia has been receiving large quantities of arms from the USSR since 1956. Short of far-reaching changes in the political situation either within Indonesia or in South-East Asia as a whole, we expect that she will continue to do so during the next ten years. She has also received a small quantity of arms from China, but, unless a pro-Chinese Government emerged, Indonesia would be unlikely to accept further Chinese military assistance during the period under review.

2. In the 1970s we expect the Indonesian armed forces to have overcome many of their present shortcomings. They are likely to be able to achieve initial operational availability rates of the order of 70-80 per cent. However, they are unlikely to be able to maintain this rate in sustained operations. Each of the Indonesian services is discussed, separately below.

Army

3. During the next ten years the Indonesian Army will be gradually reducing its strength from the present level of about 300,000 to about 275,000, containing about 100 infantry, 10 armoured, 17 artillery and 14 AD battalions. The army has begun to rely almost entirely on supplies from the USSR and during the period under review increasing standardisation of equipment along Soviet lines is likely, especially for the heavier equipment.

Navy

4. The Soviet Union has already provided Indonesia with considerable naval forces and we expect she will continue to do so. Weapons already supplied include ground and moored mines and coast defence missiles are now being provided. By 1975 Soviet-supplied units in service may comprise:-

Cruiser

SVERDLOV (possibly SAM armed)	1
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Submarines

SS-F	7
SSG-J (or earlier cruise missile firing type)	3
SSN-N (nuclear powered)	2

UK EYES ONLY

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UK EYES ONLY

Destroyers

KOTLIN	4
KILDIN (Surface-to-surface cruise-missile armed)	2
KASHIN (SAM armed)	1

Cruise-Missile FPBs

KOMAR	8
OSA	12

Escorts

RIGA/PETYA	6
POTI	6
SO-1	16

Minesweepers

YURKA/VANYA	12
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FPBs

P-6/SHERSHEN	14
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- Notes
1. The figures for the more advanced vessels (viz. KILDIN and KASHIN destroyers and J and N class submarines) are expected maxima; similar numbers of older classes might be held.
 2. It is assumed that the two N Class nuclear powered submarines, if provided, would be refitted in the Soviet Union. Even so their delivery would have to be preceded by:-
 - (a) a long and specialised training effort, of four years for key personnel;
 - (b) the construction of specialised support facilities.

Air Force

5. The offensive capability of the Air Force is expected to improve during the next ten years, but large increases in aircraft strength are unlikely. Deliveries of Soviet aircraft, to replace other aircraft phased out of service, may include the BADGER C (equipped with the KIPPER ASM), the BREWER light bomber (or equivalent) and some FITTER fighter-bombers. It is also possible that the BLINDER, or some other supersonic medium bomber, may be supplied before the end of the period.

6. By the end of the period the defensive force will probably consist of FISHBED day and all-weather aircraft or their more modern equivalents. All air defence aircraft are likely to be equipped with AAM. The SA-2 system currently deployed will probably be augmented and to some extent superseded by a more modern system giving better low altitude defence.

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UK EYES ONLY

7. The order of battle in 1975 is estimated to be:-

Fighter/ground attack aircraft	65
Light bombers	20
Medium bombers	20
Transports	40
Helicopters	30*

* including a number of HOOKS and armed helicopters for close support.

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UK EYES ONLY

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UK EYES ONLY

Annex 'D' to JIC 766/66

LAOS

At present the Laotian government depends on American supplies and is unlikely to accept large quantities of arms from either the USSR or China. However, given the instability of the area, we cannot be sure that this state of affairs will continue.

2. The Pathet Lao forces, on the other hand, are completely dependent on China (and North Vietnam) for arms and ammunition, and are likely to remain so. As they are still little more than loosely organised guerillas, the arms they receive from China are likely for the most part to be small in quantity and simple in type. It is, however, possible that a token "Pathet Lao Air Force" may be formed but, even if this did happen, it would probably consist only of a small piston-engine ground attack force and a few jet fighters.

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UK EYES ONLY

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UK EYES ONLY

Annex 'E' to JIC 766/66

NORTH VIETNAM

General

During the period under review North Vietnam, which has no appreciable arms production capability of her own, will remain dependent on imports for her arms supplies; these are likely to come from both the USSR and China. Types and quantities will depend to an extent on the course of the present hostilities. The position in each of the three Services is discussed separately below.

Army

2. The Army, which now consists basically of some 11 infantry and 3 artillery divisions, is probably at its maximum strength. Conventional equipment (e.g. small arms, field guns, tanks, armoured cars and load-carrying vehicles) have been received from both the USSR and China. It is unlikely, however, that armour will be supplied in any significant quantity in future by either country since this is unsuited to North Vietnamese terrain and requirements.

Navy

3. The Vietnamese navy has in the past received about four SO-1 class submarine ~~chasers~~/escorts and nine P-4 class FPBs of Soviet origin; it also has some 50-60 other assorted vessels, mainly supplied by China and including about 20 SWATOW class FPBs. Many of these vessels have since been sunk or damaged by US air action. The future FPB strength could be about 60 and could include some cruise-missile firing OSA or KOMAR class vessels. The Vietnamese navy is unlikely to acquire large sea-going vessels. Mines may be supplied by the USSR and, more probably, by China.

4. Coastal Defence. The USSR and China have both provided surface search radars and coast defence guns. The possibility of the Soviet Union providing coast defence missiles cannot be excluded.

Air Force and Air Defence

5. The Soviet Union and China have, at various times, supplied about 120 FAGOT/FRESCO/FISHBED jet fighters, of which up to 25 are FISHBED, and some transport aircraft. Some of these aircraft have since been lost in combat, while others may have returned to China. The Vietnamese Air Force also includes eight BEAGLE jet light bombers and the Soviets are known to have supplied 6 HOUND helicopters. Future developments depend very much on the

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UK EYES ONLY

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UK EYES ONLY

course and duration of the present conflict. However, it is expected that not more than 100-150 fighters will be operated during peace or war. These aircraft will be high performance all-weather fighters probably armed with air-to-air missiles and we would expect these to come mostly from the USSR. An adequate early warning and control and reporting system will be maintained.

6. There are at present over 120 SA-2 sites throughout North Vietnam equipped by the Soviet Union, but we consider that only a small percentage of these can be operational simultaneously. The USSR may also provide a more advanced SA-2 system in due course. The overall numbers of operational units may, however, not increase to any large extent.

7. North Vietnam has received about 3,000 AD guns of Soviet type from both the USSR and China. AD artillery will continue to play an important part in North Vietnamese air defence and even more batteries can be expected to become operational during present hostilities. In peacetime, however, the North Vietnamese would be unable to support as many as are now deployed.

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UK EYES ONLY

JIC 749/66

NOTE

The attached draft note has been prepared by J Section DISSEC. It is understood that the Foreign Office urgently require the information to assist in preparation of Briefs for the forthcoming Quadripartite Conference.

2. Unless I am advised to the contrary by NOON on MONDAY, 5th SEPTEMBER the note will be issued in final form and passed to the Secretary, Chiefs of Staff Committee.

Cabinet Office, S.W.1.

1st August, 1966.

UK EYES ONLY

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JIC 749/66

56
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UK EYES ONLY

JOINT INTELLIGENCE COMMITTEE

356/2

135/5

THE LIKELIHOOD OF CERTAIN COUNTRIES IN THE FAR EAST RECEIVING
ARMS FROM THE USSR AND/OR CHINA DURING THE NEXT TEN YEARS

Draft Note by the Joint Intelligence Committee

In this note we consider which of the following countries are likely to receive arms from the USSR and/or China during the next ten years:-

Burma	Laos	Philippines
Cambodia	Malaysia	Singapore
Indonesia	North Vietnam	Thailand

We also consider what types and quantities of arms they are likely to receive.

2. We believe that, of the countries listed above, Malaysia, Philippines, Singapore and Thailand are unlikely to receive arms from the USSR or China, because of their existing ties, both political and military, with the West. Therefore we do not discuss them any further. The position in each of the others is discussed in Annexes 'A' to 'E'.

3. It is extremely difficult to forecast the scale of Soviet and Chinese military aid; there is insufficient intelligence on which to make forecasts covering the whole period and in any case the course of events depends on numerous imponderables, viz:- changes in the policies of the countries concerned. Present trends suggest, however, that, at any rate in countries which are already receiving aid, it will continue and probably increase during the period under review. Up to now the scale of aid given by the Russians has been fairly liberal, particularly to countries which could pay or enter into some form of reliable contract, although on occasion they have allowed political factors to override commercial considerations. The Chinese military aid programme, on the other hand, is still small. But it is growing and the range of equipment the Chinese can offer is expanding; we expect China to provide an increasing proportion of communist military aid in the future.

(Signed) W.E. HAMILTON

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

31st August, 1966.

DISTRIBUTION
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UK EYES ONLY

Annex 'A' to JIC 749/66

BURMA

Burma has not received any arms from either the USSR or China, although the former has been pressing her to do so for several years. She is unlikely to accept any in future as long as supplies continue to be readily available from her current sources, e.g. US, UK, Yugoslavia and Israel.

-1-

UK EYES ONLY

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UK EYES ONLY

Annex 'B' to JIC 749/66

CAMBODIA

The USSR and China both began sending arms to Cambodia in 1963-64 and so far the latter seems to have had the edge over the former.

2. The main roles of the armed forces are internal security, guerilla-type operations, and, in the case of the navy, coastal and river patrol; the airforce also has a limited capacity to protect Cambodian air-space. We would not expect any considerable changes in their functions during the next ten years.

3. In future China will probably supply all the equipment required for the ground forces, including tanks, and some more naval equipment (e.g. patrol launches). She has also promised to supply aircraft, including MiG-21s. The USSR is very unlikely to leave all the running to the Chinese; arms supplied by her will probably consist mainly of aircraft, radar and, later on, SAM equipment.

-2-

UK EYES ONLY

SECRET

UK EYES ONLY

Annex 'C' to JIC 749/66INDONESIAGeneral

Indonesia has been receiving large quantities of arms from the USSR. since 1956 and will almost certainly continue to do so during the next ten years. She has also received a small quantity of arms from China, but there is no reason to believe that the latter is likely to supply appreciable quantities during the period under review.

2. In the 1970s we expect the Indonesian armed forces to have overcome many of their present shortcomings. They are likely to be able to achieve initial operational availability rates of the order of 70-80 per cent. However, they are unlikely to be able to maintain this rate in sustained operations. Each of the Indonesian services is discussed, separately below.

Army

3. During the next ten years the Indonesian Army will be gradually reducing its strength from the present level of about 300,000 to about 275,000, containing about 100 infantry, 10 armoured, 17 artillery and 14 AD battalions. The army has begun to rely almost entirely on supplies from the USSR and during the period under review there will be increasing standardisation of equipment along Soviet lines, especially for the heavier equipment.

Navy

4. The Soviet Union has already provided Indonesia with considerable naval forces and will almost certainly continue to do so. Weapons already supplied include ground and moored mines and coast defence missiles are now being provided. By 1975 Soviet-supplied units in service may comprise:-

Cruiser

SVERDLOV (possibly SAM armed)	1
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Submarines

SS-F	7
SSG-J (or earlier cruise missile firing type)	3
SSN-N	2

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UK EYES ONLY

Destroyers

KUTLIN	4
KILDIN (Surface-to-surface cruise-missile armed)	2
KASHIN (SAM armed)	1

Cruise-Missile FPBs

KOMAR	8
OSA	12

Escorts

RIGA/PETYA	6
POTI	6
SO-1	16

Minesweepers

YUKKA/VANYA	12
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FPBs

P-6/SHERSHEN	14
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- Notes 1. The figures for the more advanced vessels (viz. KILDEN and KASHIN destroyers and J and N class submarines) are expected maxima; similar numbers of older classes might be held.
2. It is assumed that the two N Class nuclear powered submarines, if provided, would be refitted in the Soviet Union. Even so their delivery would have to be preceded by:-
- (a) a long and specialised training effort, of four years for key personnel;
 - (b) the construction of specialised support facilities.

Air Force

5. The offensive capability of the Air Force is expected to improve during the next ten years, but large increases in aircraft strength are unlikely. Deliveries of Soviet aircraft, to replace other aircraft phased out of service, may include the BADGER C (equipped with the KIPPER ASM), the BREWER light bomber (or equivalent) and some FITTER fighter-bombers. It is also possible that the BLINDER, or some other supersonic medium bomber, may be supplied before the end of the period.

UK EYES ONLY

SECRET

SECRET

UK EYES ONLY

6. By the end of the period the defensive force will probably consist of FISHBED day and all-weather aircraft or their more modern equivalents. All air defence aircraft are likely to be equipped with AAM. The SA-2 system currently deployed will probably be augmented and to some extent superseded by a more modern system giving better low altitude defence.

7. The order of battle in 1975 is estimated to be:-

Fighter/ground attack aircraft	65
Light bombers	20
Medium bombers	20
Transports	40
Helicopters	30*

* including a number of HOOKS and armed helicopters for close support.

-5-

UK EYES ONLY

SECRET

SECRET

UK EYES ONLY

Annex 'D' to JIC 749/66

LAOS

At present the Laotian government depends on American supplies and is unlikely to accept large quantities of arms from either the USSR or China. However giving the instability of the area, we cannot be sure that this state of affairs will continue.

2. The Pathet Lao forces, on the other hand, are completely dependent on China (and North Vietnam) for arms and ammunition, and are likely to remain so. As they are still little more than loosely organised guerillas, the arms they receive from China are likely for the most part to be small in quantity and simple in type. It is, however, possible that a token "Pathet Lao Air Force" may be formed but, even if this did happen, it would probably consist only of a small piston-engine ground attack force and a few jet fighters.

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UK EYES ONLY

SECRET

UK EYES ONLY

Annex 'E' to JIC 749/66

NORTH VIETNAM

General

During the period under review North Vietnam, which has no appreciable arms production capability of her own, will remain dependent on imports for her arms supplies; these are likely to come from both the USSR and China. Types and quantities will depend to an extent on the course of the present hostilities. The position in each of the three Services is discussed separately below.

Army

2. The Army, which now consists basically of some 11 infantry and 3 artillery divisions, is probably at its maximum strength. Conventional equipment (e.g. small arms, field guns, tanks, armoured cars and load-carrying vehicles) have been received from both the USSR and China. It is unlikely, however, that armour will be supplied in any significant quantity in future by either country since this is unsuited to North Vietnamese terrain and requirements.

Navy

3. The Vietnamese navy has in the past received about four SO-1 class submarine chasers/escorts and nine P-4 class FPBs of Soviet origin, with some 50-60 other assorted vessels, mainly supplied by China and including about 20 Swatow class FPBs. Many of these vessels have since been sunk or damaged by US air action. The future FPB strength could be about 60 and could include some cruise-missile firing OSA or KOMAR class vessels. The Vietnamese navy is unlikely to acquire large sea-going vessels.

4. Coastal Defence. The USSR and China have both provided surface search radars and coast defence guns. The possibility of the Soviet Union providing coast defence missiles cannot be excluded.

Air Force and Air Defence

5. The Soviet Union and China have, at various times, supplied about 120 MiG 15/17/21s, of which up to 25 are MiG 21s, and some transport aircraft. Some of these aircraft have since been lost in combat, while others may have returned to China. The Vietnamese Air Force also includes eight Il 28 jet light bombers and the Soviets are known to have supplied 6 Mi-6 helicopters.

SECRET

UK EYES ONLY

Future developments depend very much on the course and duration of the present conflict. However, it is expected that not more than 100-150 fighters will be operated during peace or war. These aircraft will be high performance all-weather fighters probably armed with air-to-air missiles and we would expect these to come mostly from the USSR. An adequate early warning and control and reporting system will be maintained.

6. There are at present over 120 surface-to-air missile (SA-2) sites throughout North Vietnam equipped by the Soviet Union, but we consider that only a small percentage of these can be operational simultaneously. The USSR may also provide a more advanced SA-2 system in due course. The overall numbers of operational units may, however, not increase to any large extent.

7. North Vietnam has received about 3,000 AD guns of Soviet type from both the USSR and China. AD artillery will continue to play an important part in North Vietnamese air defence and even more batteries can be expected to become operational during present hostilities. In peacetime, however, the North Vietnamese would be unable to support as many as are now deployed.

UK EYES ONLY

SECRET

SECRET

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JIC 725/66

COPY NO. 56

IMMEDIATE 356/2

135/5

356/2

CABINET

JOINT INTELLIGENCE COMMITTEE

SUPPLY OF MILITARY EQUIPMENT BY THE SOVIET UNION
AND CHINA TO COUNTRIES IN THE FAR EAST
(Previous reference: JIC 713/66)

Note by the Secretary

It has been agreed that 'J' Section DISSEC will now draft a note on the subject and Departments are therefore requested to send contributions to reach 'J' Section DISSEC by NOON on FRIDAY, 26th AUGUST, 1966.

2. It is intended in the first instance to consider the following countries over the next five to ten years:-

Burma	Malaysia
Cambodia	North Vietnam
Indonesia	Philippines
Laos	Singapore

Thailand

3. Subject to Departmental comments it will be assumed that of the above, Malaysia, Philippines, Singapore and Thailand are unlikely to accept arms from the USSR or China.

4. 'J' Section DISSEC will be able to draw on the information contained in JIC(64)91 and 65(89) and other DIS studies in respect of Indonesia, Laos and North Vietnam; but appropriate studies are not available on the other countries concerned.

(Signed) W.E. HAMILTON

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

23rd August, 1966

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'J' Section, DISSEC

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JIC 713/66

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JOINT INTELLIGENCE COMMITTEE

356/2

135/5.

SUPPLY OF MILITARY EQUIPMENT BY THE SOVIET UNION
AND CHINA TO COUNTRIES IN THE FAR EAST

Note by the Secretary

At a meeting of the Chiefs of Staff Committee on 9th August, DCDS(I) was informed that in connection with United Kingdom long-term role and tasks in the Far East there was a requirement for information as to which countries in the area might receive arms from Russia and/or China, together with the types and quantities involved.

2. Departments are invited to forward any information they may have on this subject to reach the Secretary by NOON on FRIDAY, 25th AUGUST, 1966, for consolidation and onward transmission to DCDS(I).

(Signed) W.E. HAMILTON

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

19th August, 1966.

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Chairman, JIS
JIS ('A' Team)

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COMMONWEALTH RELATIONS OFFICE
DOWNING STREET
LONDON S.W.1

20 June, 1966.

Whitehall 2323/Ext.

Your reference:

Please quote in reply: 2-EGD 237/89/5



356/2

Dear Hamilton,

Please refer to your paper JIC 479/66 of 6 June about the United States paper on Sino-Soviet Economic Activities in Less Developed Countries.

✓
Sent
on loan.

2. A number of departments here would be interested to see the report, and I should be grateful if it could be made available to us in due course.

Yours sincerely,
I. A. C. Kinnear

(I. A. C. Kinnear)
Economic General Department

W. E. Hamilton, Esq.,
J.I.C. Secretariat,
Cabinet Office,
S. W. 1.

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20 May, 1966

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Aid & Trade Activities of Communist
Countries in Less Developed Areas of
the Free World 1965
With the compliments of

THE BRITISH EMBASSY

*Volume in
the Library. Russ A*

356/2.

~~P. A. G. WESTLAKE~~

*Jic 479/66
refers.*

WASHINGTON, D.C.

F. L. Richards, Esq., C.M.G., D.S.C.,
Secretary,
Joint Intelligence Committee,
LONDON, S.W.1.

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JIC 479/66

CABINET
JOINT INTELLIGENCE COMMITTEE

356/2

SINO-SOVIET ECONOMIC ACTIVITIES IN UNDER
DEVELOPED COUNTRIES

One copy of a Secret United States periodic intelligence report on "Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World - 1965" has been received through Mr. Westlake in Washington. The Report (of eighty pages) highlights the more significant economic developments of the period under review and relates other activities, including military aid, to Communist operations of an economic nature in less developed areas.

2. The report is held in the Secretariat Library and is available, on request, for study by interested Departments.

(Signed) W.E. HAMILTON
for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.
6th June, 1966

DISTRIBUTION

JIC(Limited)

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Originating Authority ¹1/c

Reference and Date letter from Galt/Brown 10th March 1966

See 'C' File 356/2/c

Folio No. 2

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P.C
3.7

SECURITY WARNINGS

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2. A telegram which contains a reference to any classified telegram or correspondence must itself be classified.
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FROM BDS WASHINGTON

DTG 22.50 (GMT) 17.8.65.

TO J.I.C. LONDON

FOR 00.06 (GMT) 18.8.65.

TELEGRAM NO. ZO 229

DATED 17TH AUGUST, 1965.

PRIORITY

356/2

C O N F I D E N T I A L

SECRETARY J.I.C. FROM SECRETARY JULOCW).

NO OBJECTION TO JICC65035 FINAL BEING PASSED.

Noted. gig

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356/2

JOINT INTELLIGENCE COMMITTEE

SUPPLY OF SOVIET BLOC AND CHINESE ARMS
TO NEW COMMONWEALTH COUNTRIES

(Reference: J.I.C.(65)35 (Final)) — 3.4

Departments may wish to note that the above report has been passed to the following:-

Prime Minister
Secretary of State for Foreign Affairs
Chancellor of the Exchequer
Secretary of State for Defence
Secretary of State for Commonwealth Relations
Deputy Secretary of State for Defence and
Minister of Defence for the Army

(Signed) J.B. WRIGHT

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

17th August, 1965

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In Joy.

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J.I.C./82/356/2

Peto

MR. W.I. McINDOE

I attach Sir Burke Trend's copy of the Joint Intelligence Committee's report on "Supply of Soviet Bloc and Chinese Arms to New Commonwealth Countries (J.I.C.(65)35(Final)).

2. This is a new paper designed to provide, inter alia, background information which could be used in connection with military and political policy decisions which might have to be taken in the longer term. The report reviews the scale and terms on which the Soviet Bloc and China have supplied arms to certain new Commonwealth countries and considers the likelihood of increased supplies during the next few years, together with probable political and military effects. The intention is that the report should be reviewed at regular intervals.

3. The report shows that five Commonwealth countries have received arms supplies from the Soviet Bloc and three countries have been supplied by China. India is by far the largest recipient of military aid and in the immediate future is likely to sign a contract with the Russians for submarines and surface patrol ships. Apart from a preference that training should be a part of their aid neither the Russians nor the Chinese appear to attach any other strings.

4. I recommend that I be authorised to circulate the report to the Prime Minister, the Secretary of State for Foreign Affairs, the Secretary and Deputy Secretary for Defence, and the Secretary of State for Commonwealth Relations.

+ Chancellor of Exchequer - X

M.G.L. Joy

(M.G.L. JOY)

13th August, 1965.

M. Rogers

Will you please advise on §4 ?

W.K.P. 13/8

I agree to para 4 above. The Chancellor of the Exchequer should also have it in view of the Treasury's leading role in considering our military aid policy.

SECRET

PR

16.8.65

A/S/3
Please distribute. 17/8
Actioned:
12.10.65

SECRET

NOTE

The Joint Intelligence Committee have asked that the attached report should be circulated to the Chiefs of Staff with a recommendation that they should take note of it.

Cabinet Office, S.W.1.

10th August, 1965

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J.I.C.(65)35 (FINAL)

COPY NO. 91

10th August, 1965

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JOINT INTELLIGENCE COMMITTEE

356/2
135/5

SUPPLY OF SOVIET BLOC AND CHINESE ARMS TO
NEW COMMONWEALTH COUNTRIES

Report by the Joint Intelligence Committee

INTRODUCTION

In the paper at Annex we review the scale and terms on which the Soviet Bloc and China have supplied arms to new Commonwealth countries, and consider the likelihood of increased supplies during the next few years, together with the probable political and military effects. In order to avoid making the paper too hypothetical, we have limited it to the following countries:-

India
Pakistan
Ceylon
Tanzania
Kenya
Uganda
Zambia
Ghana
Nigeria
Cyprus.

We intend to review the paper at regular intervals.

CONCLUSIONS

2. We conclude that:-

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- (a) The Soviet Bloc and China make no distinction between Commonwealth and other countries when supplying military aid. Indeed they seem willing to supply arms to any new country which asks for them. In many cases they may take the initiative themselves and actively press offers of arms.
- (b) The Soviet Bloc has supplied arms to five new Commonwealth countries; India, Cyprus, Tanzania, Ghana and Kenya. Modern equipment and heavy arms have been supplied or promised on a large scale to India and on a smaller scale to Cyprus, while considerable quantities of light arms, vehicles and equipment have been supplied to Tanzania and Ghana. Kenya has had a small quantity of light arms from Czechoslovakia and Poland; the only consignment from the Soviet Union was rejected on arrival. In general the terms for the supplies have involved long-term credits at low interest rates and with easy repayment conditions.
- (c) Three countries, Tanzania, Ghana and Uganda have been supplied by China with light arms, vehicles and equipment, in the first case on a scale matching that of the Soviet Bloc and on even more generous terms.
- (d) Nigeria, Ceylon ^{Lanka} and Pakistan have not so far accepted Bloc military assistance.
- (e) India has already contracted for and is expected to receive during the next few years Soviet military aid on a scale far exceeding that to all other new Commonwealth countries. In the immediate future she is likely to sign a contract with the Russians for submarines (perhaps up to six) and for surface patrol ships.

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- (f) Although in many cases, particularly where African countries are concerned, the arms provided are obsolescent or obsolete, the Russians are willing to provide up-to-date and sophisticated equipment where the requirements and technical capability of a country warrant it. Communist countries are sometimes willing to offer more generous payment terms and quicker delivery than Western countries.
- (g) The receipt of even large quantities of communist arms is generally regarded by new Commonwealth countries as being compatible with a policy of non-alignment.
- (h) The fact that a country accepts arms from the Bloc or China does not normally mean that it intends to rely exclusively on supplies from these sources. On the contrary, most of them probably wish to go on receiving Western arms as well, and to preserve some of their traditional military ties with the United Kingdom. However, the receipt of communist military aid may contribute in some degree to a weakening of these traditional ties and create serious security difficulties for continuing British aid and co-operation.
- (j) For a variety of political and practical reasons the Russians and Chinese prefer that training should be an integral part of their military aid, although in a few cases they have not insisted on it. It can be assumed that among their instructors and training teams there are intelligence officers whose primary function is to undermine Western influence and promote support for Communist policies.
- (k) In other respects the Russians and Chinese do not appear to attach strings to their aid, although the recipient will, of course, become dependent upon them for spares and re-supply.

(Signed) BERNARD BURROWS

Cabinet Office, S.W.1.

10th August, 1965

CHAIRMAN, on behalf of the
Joint Intelligence Committee

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SUPPLY OF SOVIET BLOC AND CHINESE ARMS TO NEW COMMONWEALTH COUNTRIESGENERAL

We discuss the countries considered in this paper in the following order:-

India
Pakistan
Ceylon
Tanzania
Keyna
Uganda
Zambia
Ghana
Nigeria
Cyprus

All but ^{five} ~~four~~ of these countries, Pakistan, Ceylon, Uganda, ^{+ Nigeria} ~~and~~ Zambia have received Soviet Bloc military aid. India is by far the largest recipient, and the value of the aid accepted or contracted by her is probably about £124 million; Cyprus comes next with about £12 million, followed by Ghana with £6 million. Three countries, Tanzania, Ghana and Uganda have had Chinese military aid. The main recipient has been Tanzania (about £1 million).

2. We note in passing that with the exception of Zambia all the countries have also been granted Soviet Bloc economic aid - India has already received or contracted for more than any other country in the world - and that five of them have also been granted Chinese economic aid.

3. An examination of the evidence suggests that no distinction is made by the Soviet Bloc or China, when supplying military aid, between Commonwealth and other countries. Although in many cases, particularly where African countries are concerned, the arms provided are obsolescent or obsolete, the Russians are willing to provide up-to-date and sophisticated equipment where the requirements and technical capability of a country warrant it.

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The communist countries can almost invariably offer generous terms and rapid delivery, but although they normally try to include instructors and maintenance personnel in any military supply arrangements, they do not seem to make any stipulations about the use of the material supplied. A note on terms is at Appendix.

INDIA

4. The Soviet Union has supplied the following arms to India:-

- 18 FISHBED (MiG-21) fighters (possibly equipped with air-to-air missiles)
- 33 CUB (AN-12) transports
- 25 CRATE (IL-14) transports
- 39-45 HOUND (MI-4) helicopters
- 30 PT-76 light tanks
- SA-2 equipment and missiles for at least six firing battalions and one technical support battalion.

5. The following additional arms supplies have been ordered and are due for delivery by 1967:-

- 32 FISHBED (MiG-21) fighters
- 6 MONGOL (U-MiG-21) trainers
- 20 HOUND (MI-4) helicopters
- 60 PT-76 light tanks
- 500 Air-to-air missiles (AAM)
- 500 Aerial bombs

An unknown number of 130 mm M.46 field guns.

An unknown amount of SA-2 equipment and missiles, but probably at least enough for a further five firing battalions and a technical battalion.

Component parts for FISHBED (MiG-21 fighters) and some AAM.

Possibly some HOOK (MI-6) helicopters and small naval craft.

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6. There is also a project for the assembly and eventual manufacture of FISHBED fighter aircraft in India. FISHBEDS are to be assembled from imported component parts, at a rate of six per month, beginning in 1966 or 1967. The Indians hope to start production of FISHBEDS from indigenously produced component parts in 1970.

7. In view of India's pre-occupation with her north-east border, she may seek to improve her present capability of resupplying forward troops in a terrain which can most economically be reached by air. A large air transport force would enable her to build up forces in the border area to a level which presented a credible deterrent to Chinese aggression. The Indian Air Staff is believed to consider that there is a need for a fleet of about 100 large air transports, and it is possible that they may wish to look to the Soviet Union as a supplier.

8. India is also seeking to improve her naval forces. To date no Soviet aid has been given to the Indian Navy, which is British-equipped and has a very close relationship with the Royal Navy. The Soviet Union, however, offered ships on favourable terms in 1964, and although this offer was not accepted at the time, a mission is shortly going to Moscow with a view to signing a contract for a number of surface patrol ships. The Indians have now announced that they intend to take up a Soviet offer of modern submarines. It is reported that they will obtain up to six submarines providing the conditions of supply are acceptable, although we doubt whether India will in fact acquire as many as this.

9. In general, there are two main factors which may lead the Indian Government to accept further military aid from the Soviet Union. Firstly, Russian aid has so far been offered on very favourable terms and the Indian Government may find that they are unable to meet the cost of the aid they want from the United States and United Kingdom. Secondly, the Indian Government may well find that the Western powers are unwilling or unable to provide all the arms for which they have been asked. Moreover,

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the Indian Government may be anxious to preserve their position with the Russians - the latter have recently shown some caution in their relations with India and may also prefer to avoid taking any action which would impede an improvement in relations with Pakistan.

10. Any large increases in Soviet military aid during the next few years may well cause harm to India's relations with the United Kingdom and the United States. However, as far as governmental policy is concerned, India would almost certainly not be influenced by such aid to foresake her basic policy of non-alignment in favour of closer association with the Soviet bloc. This does not mean, of course, that Indian acceptance of further Soviet aid might not lead to certain practical difficulties. For example, if Indian acceptance of Soviet submarines involved the presence of Russian technicians and training teams, it could seriously jeopardise United Kingdom co-operation with the Indian navy. In particular, there would be security implications with regard to joint exercises, training courses in Britain and equipment supplied, such as on Leander frigates. However, the Indians are well aware of these problems, and we believe that they would try to arrange training in such a way as to avoid the presence of Soviet technicians or training teams in India.

11. We can foresee no circumstances arising during the next few years in which China might supply military aid to India.

PAKISTAN

12. Pakistan has not so far accepted military assistance from any communist country. Recent trends in Pakistan's foreign policy suggest that she might be willing to seek closer links with China, but China's own economic and industrial position makes it unlikely that she will be able to do more than offer token shipments of arms. Pakistan may therefore feel tempted to look to the Soviet Union for military aid, but is most unlikely to find that Russian aid will provide a satisfactory substitute for that which she continues to receive from the United States. The visit

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of certain Pakistan officials to the U.A.R. in December 1964, apparently to evaluate Soviet military equipment, lends weight to this suggestion. For their part the Soviet Union may be willing to respond to any approach by Pakistan as a means of offsetting the growth of Chinese influence.

13. For some time much resentment has been felt in Pakistan over the West's supply of what the Pakistanis claim to be more and better arms to India than to herself, in spite of her membership of CENTO and SEATO. If the Russians were to step in and offer to make good some or all of the deficiencies, it should not be difficult for them to play on this resentment and derive political advantage from it at the expense of the West. How far-reaching this would be it is impossible to forecast, but Pakistan's continued membership of CENTO and SEATO might be called into question as a result.

CEYLON

14. Ceylon has received no military assistance from communist countries, nor is there any evidence that she is interested in doing so. It is unlikely that any approach would be made to China or Russia under the new government which is more inclined to the West than was its predecessor. Ceylon's poor economic situation, moreover, is likely to inhibit her from purchasing any arms in the next few years.

TANZANIA

15. Considerable quantities of communist arms have been supplied to both Tanganyika and Zanzibar. The division between the two parts of the Republic of Tanzania has been most marked in the armed forces, although the first steps towards some degree of integration are now being taken.

16. In Tanganyika, substantial arms aid has been received from both Russia and China, including twenty armoured personnel carriers (APCs), a small number of field and air defence guns, small arms, mortars and an adequate supply of ammunition. The majority of this has been absorbed into the army, which has received instruction in the use of the weapons

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from both Russian and Chinese training teams; recent reports suggest that the army commander is anxious to dispense with these teams, and the Russian one has already left. In addition to the arms described above, some 1,500 tons of military cargo of an unknown nature have been landed at various times. Some of this appears to have been destined for various subversive organisations such as FRELIMO and for the Congolese rebels.

17. In Zanzibar, the armed forces have been formed only since the revolution in 1964. Considerable quantities of arms have been received from both Russia and China, including 21 APCs, small arms, mortars, air defence guns, adequate supplies of ammunition, vehicles and one COLT (AN-2) light aircraft. At least one, possibly two, 50-ft. patrol craft carrying armour plate and 25mm guns were unloaded from an East German ship in late May; a number of Zanzibaris trained in East Germany returned in the same ship. Otherwise virtually all the equipment held by the forces comes from Russia or China. In addition, Russian and Chinese training teams are very active on the island, though they deal with different parts of the army and their paths do not cross. No details are known of the offer of military aid reported to have been made to the army commander on a visit to Russia in early 1965.

18. The Tanganyika element of the Tanzanian Peoples Defence Force (TPDF) has recently been expanded from two battalions to three; recruits intended for a fourth battalion have been incorporated in existing units. In Zanzibar the Army, which at present is integrated into the TPDF only in name, number some 1,000-1,200 men. It seems clear that more than enough arms have already been received for these forces, but the government still appears ready to accept any arms that are offered by the communist countries. An exception may, however, be aircraft. At present the one COLT remains in Zanzibar - there are no Soviet or Chinese aircraft on the mainland. The recent withdrawal of the West German air force training mission provided a ready-made excuse to turn to the Soviet Bloc or China for aircraft and training, had Tanzania so wished. The fact that she turned to Canada may indicate that she is unlikely to accept Soviet or Chinese aircraft for the time being.

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19. The substantial supplies of arms may increase the effectiveness of Tanzania-based dissidents operating against Mozambique and perhaps against other neighbouring countries. Within Tanzania the presence of quantities of arms outside the government's control could give rise to a dangerous internal security problem. Above all it can be assumed that among the Russian and Chinese training teams there are intelligence officers whose primary function is to undermine Western influence and promote support for communist policies.

KENYA

20. During 1964 and 1965 three consignments of arms from Czechoslovakia and one from Poland totalling some 1,600 small arms, together with other items, arrived in Kenya. These were intended for the left-wing Odinga faction, but are now in Government custody. In 1964, when there was some doubt about the availability of British arms for the Kenya Army, an arms deal was negotiated with Russia; this had the agreement of President Kenyatta, though left-wing ministers were responsible for the details. The arms (which were a gift, and included 24 tanks, guns, APCs, mortars, small arms and ammunition, together with a team of 17 Russian military technicians) were however rejected by Kenyatta on arrival. He had, it seems, been prepared in principle to receive limited quantities of arms without strings, but the arrival of a shipment of this size and its accompanying training team was not acceptable to him. Among the members of this team was a senior officer in Soviet military intelligence; two others, one of whom was permitted to stay as part of a separate economic mission, were suspected to be intelligence officers. Kenyatta's summary rejection of this consignment was a blow to Russian prestige and designs.

21. Kenya requires artillery, vehicles and other equipment, both to counter-balance the Soviet supply of arms to Somalia and for internal security purposes. While it is likely that the army will continue to rely mainly on British arms and equipment, further efforts to recover their position by the communist countries and by the left-wing in Kenya are to be expected in due course. So long as Kenyatta remains in power, however, Kenya is unlikely to accept large quantities of arms from the Soviet Bloc or China, provided her requirements can be met from Western sources.

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UGANDA

22. In late 1964 and early 1965 Uganda was a channel through which bloc arms were delivered to the Congolese rebels. In May 1965 the Uganda Army received a 75-ton consignment of Chinese arms. This consisted of sufficient small arms, infantry weapons and light artillery for about one battalion. So far as we know, this is the only time that Uganda has accepted communist arms other than those intended for the Congolese rebels.

23. The army has recently been doubled in size from two battalions to four, but there is still a severe shortage of officers in the army, and discipline and training are poor. Difficulty is being experienced over obtaining arms from Britain and the West because Ugandan requirements are in many cases ill-defined and the material is either not available or can only be provided after a long delay. Some arms, together with a training team, have been provided by Israel, but there are not sufficient to equip all units. The government may be disposed to accept communist arms if they are offered on generous terms; in which case there might be some pressure to accept technicians as well. Even so the government would probably try to prevent the armed forces' becoming too dependent on communist sources of supply. Dr. Obote is believed to have discussed the supply of arms during his recent visit to Peking.

ZAMBIA

24. Britain has promised a substantial amount of defence aid, to be spent on British equipment, over the period 1965-1970, and there is no evidence of interest in communist arms. The Zambian army, which is to be doubled in size from two to four battalions during the next two years, has mainly British equipment. However, President Kaunda announced early in May that he intended to visit Moscow and Peking in 1966, and pressure may be put on him then to accept military gifts in the same way as has been done with other African leaders. His attitude to such offers is bound to be coloured by developments in Rhodesia.

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GHANA

25. In 1961 some 20,000 Soviet small arms and ammunition were delivered to form a stockpile for supplying dissident and rebel forces in other countries, and Soviet instructors have helped to train members of these forces in Ghana. President Nkrumah's security organisation, which is Soviet-organised, has received some 2,000 small arms, a small number of wheeled APCs, and two patrol vessels; and the Russians have presented two helicopters for the President's use. The Chinese have supplied instructors and a small quantity of arms, believed to be mainly light automatic weapons and ammunition, for the dissident forces undergoing training in Ghana.

26. Following the military aid agreement signed in 1961 the U.S.S.R. is believed to have offered heavy weapons, ships and aircraft. The resistance of the Ghanaian Chiefs of Staff has so far prevented the supply of such arms but it is believed that six more patrol boats and possibly some MTBs may be supplied. The appointment of a major-general as Soviet military attache may indicate Soviet expectations of an increase in arms deliveries, but although the Ghanaians are known to have approached the Soviet bloc for supplies of military vehicles, financial difficulties may oblige them to curtail the acquisition of further equipment.

27. Against opposition from senior officers, Nkrumah has set in motion plans for increasing the army from five battalions to nine, formed into a division of three brigades. This expansion has recently been halted, after the formation of two new battalions, reportedly because of Ghana's economic problems.

28. Two 'W' Class Submarines and three submarine chasers, together with training for their crews, were offered by the Soviet Union in 1963, and there have been rumours of a Soviet project to develop a naval base. The Ghana air force has been under political pressure to make use of the long-term credits available for the purchase of Soviet aircraft; this pressure has so far been successfully resisted but may eventually prevail.

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29. Increased supplies of Soviet Bloc and Chinese aid would significantly strengthen the Ghanaian forces. In the unlikely event that this tempted Ghana to intervene openly in other parts of the continent she would still not be able to provide more than a weak brigade for this purpose, even with the enlarged army. The risks of trouble in West Africa might be enhanced if Ghana were to dispense with the British Joint Services Training Team and to replace it with Russian or Chinese officers. Increases in the output of trained "Freedom Fighters" would not necessarily have a significant effect on subversive threats elsewhere in Africa, since we have no evidence that those trained so far have proved effective on return to their home countries.

NIGERIA

30. No military aid has been given to Nigeria by the Soviet Union or by China, and we believe that there is little likelihood of any such aid from these countries during the next few years.

CYPRUS

31. Under a military aid agreement of September 1964 the Soviet Union has supplied the Cyprus Government with:-

- 6 MTBs (2 more are expected)
- 32 Tanks
- 30 100mm guns
- 30 APCs
- 100 Light air defence (AD guns)
- 145 Military vehicles

Small arms and ammunition, including some mortars.

All this equipment has been supplied through the U.A.R., except for the military vehicles which were delivered to Cyprus from the U.S.S.R.

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32. In addition, the Soviet Union has recently supplied, through the U.A.R., about 15 SA-2 surface-to-air missile transporters and prime movers, five launchers, some support equipment and possibly a complete set of SA-2 radar control equipment. Deliveries were interrupted, and it is believed that no missiles were landed, but it is possible that missiles and additional equipment are still awaiting delivery from the U.A.R. There is evidence that President Makarios wishes to ensure that the interrupted deliveries are completed in due course.

33. Cyprus remains highly vulnerable to air attack and the Cyprus Government is likely to try to build up an air defence system; if so they may well seek further Soviet aid. Other requests for Soviet arms are also possible. For example, should disagreement between Greece and the Cyprus Government over Enosis result in Greece withdrawing the military material she has sent to Cyprus, we believe that Makarios would seek to replace the lost equipment from Soviet sources. Cyprus is also likely to need technical assistance, particularly if the delivery of the SA-2 system is completed. It is possible, however, that the Cyprus Government would try, in the first instance, to obtain such assistance from Greece rather than from Soviet Union or the U.A.R.

34. Increased Soviet aid to Cyprus would be likely to strengthen the position of the Communist faction in the island, and thus to encourage a hardening of Greek Cypriot opinion in favour of independence as a solution to the Cyprus dispute and against both Enosis and the presence of the British Sovereign Base Areas. It would also be likely to weaken further the influence of the Greek Government vis-a-vis the Cyprus Government.

35. China has provided no military aid to Cyprus. We can foresee no circumstances likely to arise during the next few years in which she might do so.

CONCLUSIONS

36. We conclude that:-

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- (a) The Soviet Bloc and China make no distinction between Commonwealth and other countries when supplying military aid. Indeed they seem willing to supply arms to any new country which asks for them. In many cases they may take the initiative themselves and actively press offers of arms.
- (b) The Soviet Bloc has supplied arms to five new Commonwealth countries; India, Cyprus, Tanzania, Ghana and Kenya. Modern equipment and heavy arms have been supplied or promised on a large scale to India and on a smaller scale to Cyprus, while considerable quantities of light arms, vehicles and equipment have been supplied to Tanzania and Ghana. Kenya has had a small quantity of light arms from Czechoslovakia and Poland; the only consignment from the Soviet Union was rejected on arrival. In general the terms for the supplies have involved long-term credits at low interest rates and with easy repayment conditions.
- (c) Three countries, Tanzania, Ghana and Uganda have been supplied by China with light arms, vehicles and equipment, in the first case on a scale matching that of the Soviet Bloc and on even more generous terms.
- (d) Nigeria, ^{Zambia} Ceylon and Pakistan have not so far accepted Bloc military assistance.
- (e) India has already contracted for and is expected to receive during the next few years Soviet military aid on a scale far exceeding that to all other new Commonwealth countries. In the immediate future she is likely to sign a contract with the Russians for submarines (perhaps up to six) and for surface patrol ships.

- (f) Although in many cases, **SECRET** particularly where African countries are concerned, the arms provided are obsolescent or obsolete, the Russians are willing to provide up-to-date and sophisticated equipment where the requirements and technical capability of a country warrant it. Communist countries are sometimes willing to offer more generous payment terms and quicker delivery than Western countries.
- (g) The receipt of even large quantities of communist arms is generally regarded by new Commonwealth countries as being compatible with a policy of non-alignment.
- (h) The fact that a country accepts arms from the Bloc or China does not normally mean that it intends to rely exclusively on supplies from these sources. On the contrary, most of them probably wish to go on receiving Western arms as well, and to preserve some of their traditional military ties with the United Kingdom. However, the receipt of communist military aid may contribute in some degree to a weakening of these traditional ties and create serious security difficulties for continuing British aid and co-operation.
- (j) For a variety of political and practical reasons the Russians and Chinese prefer that training should be an integral part of their military aid, although in a few cases they have not insisted on it. It can be assumed that among their instructors and training teams there are intelligence officers whose primary function is to undermine Western influence and promote support for Communist policies.
- (k) In other respects the Russians and Chinese do not appear to attach strings to their aid, although the recipient will, of course, become dependent upon them for spares and re-supply.

THE TERMS OF SOVIET BLOC AND CHINESE MILITARY AID AGREEMENTS
WITH NEW COMMONWEALTH COUNTRIES

INDIA

The Indians have paid cash for some equipment, but the bulk is under credits of from five to ten years duration at 2 per cent interest, payments commencing one year after delivery. Payments are in rupees with which the Soviet Union buys Indian goods.

TANZANIA

2. Although we have little information in the terms under which the U.S.S.R. and China have supplied arms and training we believe that most is free of charge. Certain items are apparently to be paid for out of budgeted expenditure.

KENYA

3. The arms supplied to the left-wing group were almost certainly free of charge, and the rejected consignment of Soviet arms has been described as a gift.

UGANDA

4. The Chinese shipment of 75 tons of arms in May 1965 is said to have been purchased under arrangements made in December 1964, but may well have been a gift.

GHANA

5. The agreement signed in July, 1961 provided for a credit of £2½ million over two years. Little use was made of it and the period of validity has been extended repeatedly. It is unlikely that terms have been agreed in advance for purchases yet to be made. The small arms supplied for the Presidential Guard may well have been a gift.

CYPRUS

6. The cost of the bulk of the hard military equipment is probably well below (a half or a third of) list prices, with repayment in currency or goods over about 12 years at 2 per cent interest. The trucks, which have alternative civil uses, are likely to have been supplied at list prices under stiffer terms - perhaps five years at $2\frac{1}{2}$ per cent.

J.I.C.(65)35

SUPPLY OF SOVIET BLOC AND CHINESE ARMS TO NEW COMONWEALTH COUNTRIES

DISTRIBUTION

UNITED KINGDOM

Cabinet Ministers (if approved by the Secretary of the Cabinet)
Secretary of the Cabinet
Chiefs of Staff - to take note
Joint Intelligence Committee
Secretary, Defence Planning Staff, Ministry of Defence
Director of Defence Plans, (Navy), (Army) and (Air)
Directorate of Forward Plans, Ministry of Defence
Secretary, Counter Subversion Committee
Secretary, C.I.C.C. (West)

OVERSEAS COMMANDS

Near East

Secretary, J.I.G. (Cyprus)
F.O.(I) Mediterranean

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Secretary, J.I.C. (F.E.)

Middle East

Secretary, J.I.G.(M.E.)

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Mr. P.A.G. Westlake, (Washington)
Secretary, J.I.L.C. (Washington)
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B.D.L.S. Salisbury
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British Defence Committee, Malta

F.O. Posts

U.K. Del (NATO) Paris, Moscow, Washington, Peking.

C.R.O. Posts

Accra, Bathurst, Canberra, Colombo, Dar-es-Salaam, Delhi,
Freetown, Karachi, Kampala, Kuala Lumpur, Lagos, Lusaka,
Nairobi, Nicosia, Salisbury, Ottawa, Wellington, Zomba.

NON-BRITISH AUTHORITIES (Including London representatives)

C.I.A. Washington "Provided there is no objection from H.M. Embassy,
Washington"
Canadian
Australian
New Zealand

Cabinet Office, S.W.1.,
10th August, 1965.

SECRET

CONFIDENTIAL

11. SUPPLY OF SOVIET BLOC AND CHINESE
ARMS TO NEW COMMONWEALTH COUNTRIES

356/2

135/5

(Previous reference: J.I.C.(65)15th Meeting, Item 3) - 304

The Committee considered a report on the Supply of Soviet Bloc and Chinese Arms to New Commonwealth Countries (J.I.C.(65)35(Revised Draft)).

The Committee:-

Approved the report as amended in discussion and its proposed distribution list and instructed the Secretary to issue it.

S/F (34)

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J.I.C./393/65COPY NO. 47IMMEDIATE

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356/2

JOINT INTELLIGENCE COMMITTEEGUIDANCE FOR INTERVENTION WORKING PARTY

(Previous References: J.I.C./385/65 - 30
J.I.C./374/65) - 308

I attach at Annex a final version of the reply to the Intervention Working Party prepared by 'J' Section, D.I.40, in answer to the problem posed by the Deputy to Assistant Chief of Defence Staff in his minute IWP/SGB/1 of 29th April, 1965, (Annex 'A' to J.I.C./374/65).

(Signed) G.W.W. WADDINGTON

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

4th May, 1965.

DISTRIBUTION

J.I.C.
J.I.S. ('A' Team)
Deputy to A.C.D.S. (J.W.)
'J' Section, D.I.40

GUIDANCE FOR THE INTERVENTION WORKING PARTYThe Working Party Assumptions

We believe that assumptions (a) and (b) are not alternatives but are complementary. Even in the 1970s ground air defences below 3,000 feet can be expected to comprise both guns up to 57 mm (with or without radar) and SAMs.

Availability of Equipment

2. The most likely source for the supply of air defence equipment is the Soviet Union.

3. Guns. The Russians have sufficient 57 mm guns and guns of lower calibres (with or without radar) to supply in the quantities likely to be desired by the countries concerned.

4. Surface-to-Air Missile Systems. During the period under review the following systems might become available from the Soviet Union -

- (a) Close Defence SAM. Such a system may be man-portable or light vehicle-mounted and should be effective against light aircraft up to a maximum range of about 0.5 nm and a maximum height of about 2,000 feet. It would be basically developed for use by Field Forces;
- (b) Low Altitude Surface-to-Air SAM. There is no evidence of the method of guidance that would be used. A likely choice would be optical line of sight with a surveillance radar. The capability of such a system could extend from 50 feet to 35,000 feet and up to 12 nm in range but at about 500 feet and below there would be line of sight and other physical limitations caused by terrain effects;
- (c) SA-3 System. This system is credited with a capability down to 1,000-2,000 feet. It is believed that the SA-3 System is intended to supplement the SA-2 system by providing coverage below that of the SA-2;
- (d) in addition there is the possibility that the Russians might develop an advanced low altitude SAM system with an all-weather capability. Moreover, we cannot entirely rule out the possibility that by the late 1970s the Russians might develop some other low level air defence weapon.

5. The SA-3 system has been deployed but only inside the Soviet Union. There is no evidence of the development of a low altitude SAM system, but in view of the requirement for this, it is presumed that the Russians have undertaken such development. The remaining systems are estimates only and are not supported by specific evidence.

Possible supply of equipment to Iraq and Indonesia

6. The Soviet Union has shown its appreciation of the political/military advantages to be gained by the supply of modern weapons systems to emergent nations. Evidence to date on the delivery of modern weapons (e.g. SA-2 and FISHBED to the U.A.R., Indonesia and Iraq) points to the Russians being prepared to make such systems available to such countries even while they are still being brought into service in the Soviet Union. The inability of recipient countries to pay for equipment has not proved a bar to its supply by the U.S.S.R.

Capability of Iraq and Indonesia to handle the Equipments

7. Both Iraq and Indonesia have shown only a very limited ability to handle the complex weapons systems that they now have. However, in view of the time scale involved, and the likelihood of training and technical assistance by the Soviet Union we believe that both countries could attain a reasonable standard of effectiveness in operating the equipments described in paragraph 4(a), (b) and (c) above. Nevertheless, we believe that the more advanced systems such as 4(d) above, would probably be operated only by the Russians, because in the time scale involved they are unlikely to be made available to other nationals.

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S/F
310

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J. I. C./385/65

COPY NO. 46 256/2
272/1

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JOINT INTELLIGENCE COMMITTEE

GUIDANCE FOR INTERVENTION WORKING PARTY
(Previous reference: J. I. C./374/65) - 3.8

At Annex is a revised version of Annex B to J. I. C./374/65 and is circulated for comment to 'J' Section, DI40 by 5 p.m. on TUESDAY, 4th MAY, 1965.

(Signed) J. M. C. VIVIAN

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

3rd May, 1965

DISTRIBUTION

J. I. C.
J. I. S. 'A' Team
'J' Section, DI 40.

TOP SECRET

GUIDANCE FOR THE INTERVENTION WORKING PARTYThe Working Party Assumptions

We believe that assumptions (a) and (b) are not alternatives but are complementary. Even in the 1970's Ground air defences below 3,000 feet can be expected to comprise both guns up to 57 mm (with or without radar) and SAMs. Therefore, both systems would be required to defend major targets.

Availability of Equipment

2. The most likely source for the supply of air defence equipment is the Soviet Union.

3. Guns The Russians have sufficient 57 mm guns and guns of lower calibres (with or without radar) to supply in the quantities likely to be desired by the countries concerned.

4. Surface-to-Air Missile Systems. During the period under review the following systems might become available from the Soviet Union:-

- (a) close defence SAM. Such a system may be non-portable or light vehicle-mounted and should be effective against light aircraft up to a maximum range of about 0.5 nm and a maximum height of about 2,000 feet. It would be basically developed for use by Field Forces:
- (b) Low Altitude Surface-to-Air SAM. There is no evidence of the method of guidance that would be used. A likely choice would be optical line of sight with a surveillance radar. The capability of such a system could extend from 50 feet. to 35,000 feet and up to 12 nm in range but at about 500 feet and below there would be line of light and other physical limitations caused by terrain effects:
- (c) S.A.-3 System. This system is credited with a capability down to 1000-2000 feet. It is believed that the SA-3 System is intended to supplement the SA-2 System by providing coverage below that of the SA-2:
- (d) in addition there is the possibility that the Russians might develop an advanced low altitude SAM system with an all-weather capability. Moreover, we cannot entirely rule out the possibility that by the late 1970's the Russians might develop some other low level air defence weapon.

5. There is firm evidence that SA-3 is now being deployed inside the Soviet Union. There is no evidence of the development of a low altitude SAM system, but in view of the requirement for this, it is presumed that the Russians have undertaken such development. The remaining systems are estimates only and not supported by specific evidence.

Possible supply of equipment to Iraq and Indonesia

6. The Soviet Union has shown its appreciation of the political/military advantages to be gained by the supply of modern weapons systems to emergent nations. Evidence to date on the delivery of modern weapons e.g. SAM (SA-2) and FISHBED to the U.A.R., Indonesia and Iraq points to the Russians being prepared to make such systems available to such countries even while they are still being introduced into service in the Soviet Union. The ability of recipient countries to pay for equipment has not proved a bar to its supply by the USSR.

Capability of Iraq and Indonesia to handle the Equipments

7. Both countries have shown a very limited ability to handle all of the complex weapons systems that they now have. However, in view of the time scale involved, and the likelihood of training and technical assistance by the Soviet Union we believe that both countries would attain a reasonable standard of effectiveness in operating the equipments described in para.4 (a), (b) and (c) above. However, we believe that the more advanced systems such as 4 (d) above, could probably be operated only by the Russians.

EXTRACT from C.O.S.(65) 22nd MEETING held on 29 Apr 65

1. DEFENCE REVIEW - INTERVENTION STUDY 356/2. CONFIDENTIAL

(Previous Reference: COS 20th Meeting/65, Minute 1A)

SIR DAVID LUCE (Acting Chief of the Defence Staff) said that it was desirable that they should decide exactly how the intervention study was to be handled when it was finished, to eliminate any possibility of delay and to enable them to adjust their programmes as necessary in advance.

PROFESSOR COTTRELL (Deputy Chief Scientific Adviser (Studies)) said that the study was being prepared against two geographical settings, Indonesia and Kuwait, with the possibility that it might also need to be considered in relation to ~~East~~ Africa. He hoped the study would be completed between the 14th May and 21st May but thought that it would be wise if 21st May was taken as the firm completion date for planning purposes.

In discussion the following points were made:

a. It would expedite the handling of the study if, following the precedent of certain previous studies, it was forwarded direct to the Secretary of State, with copies to the Chiefs of Staff, on the understanding that their comments would follow separately as soon as possible.

b. Assuming the study was completed on the 21st May, the first opportunity to take it in Committee would be Tuesday 25th May.

c. The Chief of the Defence Staff would not be available on 25th May, but the other members of the Committee would make arrangements to be present, and to this end, the Chief of the Air Staff would postpone his departure for his Near East tour until Friday, 28th May, which would leave him with time in hand for any eventualities.

Summing up, SIR DAVID LUCE said that it would be unwise to assume that the study would be completed before 21st May. As time was short, the study should be forwarded direct to the Secretary of State with copies to the Chiefs of Staff, and they should consider it in committee at the first opportunity, which would be Tuesday 25th May. The Chief of the Defence Staff would not be available on that day but the remainder of the Committee would make arrangements to attend.

THE COMMITTEE:

(1) Agreed with the remarks of the Acting Chief of the Defence Staff.

(2) Instructed the Secretary to place the matter on the agenda for their meeting on Tuesday, 25th May.

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S/F.

308

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J.I.C./374/65

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356/2.

JOINT INTELLIGENCE COMMITTEE

GUIDANCE FOR INTERVENTION WORKING PARTY

At Annex 'A' is a request to the Joint Intelligence Committee for guidance on the assumptions to be used in connection with low-level air defence below 3,000 feet in the 1970's in the cases of Iraq and Indonesia.

2. At Annex 'B' is a suggested reply drafted by 'J' Section, D.I.40. I believe you will wish to agree with this reply and unless 'J' Section, D.I.40 (Ext. 2929/2948, Ministry of Defence) is instructed to the contrary by 5.00 p.m. on FRIDAY, 30th APRIL, 1965, the reply as drafted will be passed to the Chairman of the Intervention Working Party.

(Signed) G.W.W. WADDINGTON

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

29th April, 1965.

DISTRIBUTION

J.I.C.
J.I.S.('A' Team)
'J' Section, D.I.40.

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Annex 'A' to J.I.C./374/65

Reference: IWP/SGB/1

CHAIRMAN, J.I.C. (6 Copies)

Copies to: Secretary, Intervention Working Party
D.M.O.

INTERVENTION WORKING PARTY

In the course of the study of intervention it is necessary to adopt assumptions on the capabilities of air defence systems which our strike forces might encounter in specific situations, in the 1970's.

2. The Joint Service Group which reported on the requirement for TSR 2/TFX Strike Reconnaissance aircraft stated in their report (1) at paragraph 21 that "major targets will also be protected by SAM systems effective at 500 ft. and above in all weather conditions and lower in fair weather".

3. When reviewing this study the Chiefs of Staff Committee (2) expressed doubt about when this situation might prevail, particularly in the case of secondary powers.

4. For the current study, therefore, the Working Party consider that they must make assumptions which reflect this observation of the Chiefs of Staff. There is agreement that it is unnecessary to assume the existence of a SAM system effective down to 500 ft. in all weather in the hands of the Iraqis and Indonesians during the 1970's but guidance is required on which of the following assumptions would be supported by J.I.C. regarding low level air defence below 3,000 ft. (the lower limit of SA-2 - "Guide Line" with C band radar).

(a) Low-level defence of major targets will be provided by LAA guns of 57 mm (with appropriate radar) and below;

or (b) Low-level defence of major targets will be provided by a SAM system with similar characteristics to ET 316, i.e. a light-weight mobile system, relatively simple to operate and maintain, which will be effective in fair weather down to 500 ft. but will not have a full all weather capability.

The views of the J.I.C. on these alternatives in the case of (a) Iraq and (b) Indonesia are urgently required.

(Signed) P.H. CRIBB
Air Commodore
DEPUTY TO ASSISTANT CHIEF OF DEFENCE STAFF
(JOINT WARFARE)

{1} 687/LS/3/65/125.

{2} Confidential Annex paragraph 5 to COS 14th Meeting/65.

29th April, 1965

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GUIDANCE FOR THE INTERVENTION WORKING PARTYThe Working Party Assumptions

We do not believe that assumptions (a) and (b) are alternatives but are complementary. Even when a SAM system as described in assumption (b) is in operation, gaps would arise through line of sight and terrain effects which would require coverage by LAA guns. Therefore, both systems would be required to defend major targets.

Possible Supply of Soviet Equipment

2. Guns. The Russians have sufficient 57 mm guns and associated radars and guns of lower calibres to supply in the quantities likely to be desired by the countries concerned.

3. Low Altitude Surface-to-Air Missile System. Although there is no evidence that the Soviet Union has a low altitude SAM system under development or in service, they must be aware of the low level threat and it is presumed that they have undertaken such development. The Soviet Union could have an initial operational capability with this equipment before 1969. The system would possibly be optical line of sight with a surveillance radar. Its capability could extend from 50 feet to 35,000 feet in altitude and up to 12 nms in horizontal range, but at about 500 feet there would be line of sight and other physical limitations caused by terrain effects. It would not have an all-weather capability. We see no reason why, if the political/military advantages accruing to the Soviet Union were sufficiently worthwhile, such a system could not be made available to both Iraq and Indonesia even during the period when it is being introduced into service in the Soviet Union. Indeed we have evidence of SAM (SA-2) systems being sold abroad, e.g. the U.A.R. and Indonesia at the same time as they are being deployed in the Soviet Union.

Capability of Iraq and Indonesia to handle the Equipments

4. Both countries have shown a very limited ability to handle all of the complex weapons systems that they now have. However, in view of the time scale involved, the likelihood of training and technical assistance by the Soviet Union and the comparative simplicity of the low altitude SAM system described in paragraph 3 above, we believe that both countries would attain a reasonable standard of efficiency and effectiveness.

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J.I.C.(65) 35 (Revised Terms of Reference)

26th April, 1965

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JOINT INTELLIGENCE COMMITTEE

356/2

SUPPLY OF SOVIET BLOC AND CHINESE ARMS
TO NEW COMMONWEALTH COUNTRIES

Note by the Secretary

In accordance with the minutes of J.I.C.(65)14th Meeting, Item 3, a paper is to be prepared reviewing the scale and terms on which the Soviet Union and China may offer to equip the armed services of new Commonwealth countries over the next few years.

2. In order to avoid giving the paper a too hypothetical character it has been decided to limit it to the following countries -

Cyprus
India
Pakistan
Ceylon
Ghana
Nigeria
Kenya
Tanzania
Uganda
Zambia

3. The paper should attempt to answer the following questions in relation to each country -

- (a) What arms have been, or are already being, supplied by the Soviet Bloc and China?
- (b) Are there any indications of impending increases in the scale or range of such arms supplies?
- (c) Can opportunities for increased aid be identified? (i.e. to meet the known or anticipated requirements of the countries concerned).
- (d) What would be the effect, political and military, of increased aid?

4. Departments are invited to forward contributions to the Acting Chairman of the Joint Intelligence Staff by 5.00 p.m. on FRIDAY, 21ST MAY, 1965.

5. It is requested that Defence Intelligence Staff contributions should be forwarded to 'J' Section, D.I.40, by 5.00 p.m. on FRIDAY, 14TH MAY, 1965.

(Signed) G.W.W. WADDINGTON

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1

26th April, 1965 SECRET

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J.I.C.(65)35(Terms of Reference)

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23rd April, 1965

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356/2

JOINT INTELLIGENCE COMMITTEE

SUPPLY OF SOVIET BLOC AND CHINESE ARMS
TO NEW COMMONWEALTH COUNTRIES

Note by the Secretary

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(Signed) G.W.W. WADDINGTON

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1

23rd April, 1965

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JOINT INTELLIGENCE COMMITTEE

SUPPLY OF SOVIET BLOC AND CHINESE ARMS TO
NEW COMMONWEALTH COUNTRIES

(Previous Reference: J.I.C.(65) 14th Meeting, Item 6)
151k " " 3

Draft terms of reference for a report on the above are attached at Annex.

2. I assume you will wish to agree with these terms of reference and unless I am advised to the contrary by 5.00 p.m. on WEDNESDAY, 21st APRIL, 1965, they will be issued.

(Signed) J.M.C. VIVIAN
for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

13th April, 1965.

DISTRIBUTION

J.I.C.
J.I.S.('B' Team)

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Annex to J.I.C./336/65

DRAFT TERMS OF REFERENCE

SUPPLY OF SOVIET BLOC AND CHINESE ARMS TO
NEW COMMONWEALTH COUNTRIES

In accordance with the minutes of J.I.C.(65) 14th Meeting, Item 3, a paper is to be prepared reviewing the scale and terms on which the Soviet Union and China may offer to equip the armed services of new Commonwealth countries over the next few years.

2. In order to avoid giving the paper a too hypothetical character it has been decided to limit it to the following countries -

Cyprus
India
Pakistan
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Nigeria
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Tanzania
Uganda

3. The paper should attempt to answer the following questions in relation to each country -

- (a) What arms have been, or are already being, supplied by the Soviet Bloc and China?
- (b) Are there any indications of impending increases in the scale or range of such arms supplies?
- (c) Can opportunities for increased aid be identified? (i.e. to meet the known or anticipated requirements of the countries concerned).
- (d) What would be the effect, political and military, of increased aid?

4. Departments are invited to forward contributions to the Acting Chairman of the Joint Intelligence Staff by 5.00 p.m. on FRIDAY, 21st MAY, 1965.

SECRET

3. SUPPLY OF SOVIET BLOC AND CHINESE
ARMS TO COMMONWEALTH COUNTRIES

356/2
135/5

(Previous reference: J.I.C.(65)14th Meeting, Item 6)

'X' MR. WALSH-ATKINS reported that the Commonwealth Relations Office agreed with the proposal that the Committee should commission a paper to review the political and military implications of the supply of Soviet Bloc and Chinese arms and equipment to Commonwealth countries, although he foresaw difficulties in being precise about communist intentions in this field, and likely Commonwealth reactions and requirements. He added that, although there was no immediate urgency for the production of the paper, it would nevertheless be valuable if it could be produced fairly soon as it would be relevant to the future examination of our policy for giving financial aid for the purchase of arms to the new Commonwealth countries.

The Committee:-

- (1) Took note.
- (2) Invited the Chairman, Joint Intelligence Staff, to circulate draft terms of reference for a paper on the lines of 'X' above.

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J.I.C./304/65

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CABINET

JOINT INTELLIGENCE COMMITTEE

CONSTANTIS BOUSSES

The following has been received from Mr. A.J.P. Crick, and is circulated for your information.

"Our latest information on the Constantis BousSES is as follows -

The ship was at the military quay in Alexandria on 29th March. The deck cargo of SA-2 transporter-trailers had been removed and the hatches were open. On the quay some distance from the BousSES were at least six SA-2 transporter-trailers, four SA-2 prime movers, and a pile of small green boxes about three by four inches in size.

On 30th March the BousSES was unloading a cylindrical slatted crate about three feet long by one half foot in diameter onto a railroad car on the quay. The crate appeared to be similar to warhead crates. Other crates were observed on railroad flatcars nearby but these could have been off-loaded from a Soviet vessel."

(Signed) G.W.W. WADDINGTON

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

7th April, 1965.

DISTRIBUTION

J.I.C.
J.I.S. ('A' Team)
Cyprus Heads of Sections

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J.I.C./297/65

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JOINT INTELLIGENCE COMMITTEE

SUPPLY OF SOVIET BLOC AND CHINESE ARMS
TO COMMONWEALTH COUNTRIES

(Previous Reference: J.I.C.(65) 14th Meeting, Item 6)

As instructed by the Committee, the attached copy of a recent minute from D.N.I. to D.C.D.S.(I) (DNI 186/65 dated 24th March, 1965) is circulated.

(Signed) P.A.T. HALLIDAY

for Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

2nd April, 1965.

DISTRIBUTION

J.I.C.
Chairman, J.I.S.
J.I.S. ('C' Team)

Attachment to J.I.C./297/65

Copy of a letter (D.N.I. 186/65) dated 24th March, 1965
from D.N.I. to D.C.D.S.(I)

Supply of Soviet and Sino Arms to the
New Commonwealth

In recent months the Navy Department and subsequently the Chiefs of Staff and O.P.D. have been exercised about the provision of ships, submarines and dockyard facilities for India especially in the light of the Soviet offer to supply certain requirements notably 3 "F" Class submarines on favourable terms. As anything supplied to India causes a Pakistani reaction this is another factor that has to be taken into account.

2. Similarly a paper is now circulating within the Navy Department on the subject of the formation of a Tanzanian Navy and this is being co-ordinated prior to submission to the Chiefs of Staff. An important point in it is whether, if we do not provide men and money which can ill be spared, the Soviet Bloc or China would do so and what would be the implications.

3. Doubtless there are similar examples in other services.

4. I appreciate that there is a D.I.S. annual and monthly review on arms supply which D.I.75 co-ordinates, but this deals with purely factual matters.

5. I feel however that it would be most helpful if a J.I.C. paper could be produced to try to focus this whole subject and its particular application to the New Commonwealth countries.

6. At the moment each individual case tends to be dealt with ad hoc.

7. However, it would seem that Soviet and Sino policy in this field is essentially long-term and likely both to intensify and perhaps become correspondingly more difficult to counter.

8. It is suggested that what is needed is an assessment of the political and military implications of Soviet or Sino supply to these countries and in particular the degree of damage that this would cause.

9. Such a paper could I suggest form a background to a further study by the Defence Planners which would presumably have the aim of determining the implications that pre-emptive supply by the United Kingdom would have on our own forces and thereby enabling some sort of balance to be struck and some order of priority to be assessed.

10. Perhaps this proposal could be discussed at the next pre-J.I.C. meeting.

SECRET

6. SUPPLY OF SOVIET BLOC AND CHINESE ARMS
TO COMMONWEALTH COUNTRIES

356/2
135/5

ADMIRAL GRAHAM proposed that the Committee should commission a paper to review the political and military implications of the supply of Soviet Bloc and Chinese arms and equipment to Commonwealth countries.

MR. WALSH-ATKINS said that such an examination might be useful in connection with policy decisions which might have to be taken in the long term, but before coming to a firm conclusion about the proposal he would like to reflect on it further.

The Committee:-

- (1) Took note.
- (2) Instructed the Secretary to circulate copies of a recent minute from D.N.I. to D.C.D.S.(I) (D.N.I. 186/65 dated 24th March, 1965). *att 1: f302*
- (3) Invited the Commonwealth Relations Office to report back to the Committee when they had given further consideration to the proposal made by the D.N.I.

TOP SECRET

300B

SECURITY WARNINGS

1. Category 'A' Cypher telegram. Paraphrase NOT required.
2. A telegram which contains a reference to any classified telegram or correspondence must itself be classified.
3. The Cabinet Office Communications Centre (Tel. No. WHI 5422 Ext. 196/197) must be consulted if it is desired to distribute or release this telegram, or any part of it, to a person or nation who would not normally be authorised to receive it.

FROM: H.Q.B.F.C. DTG 13.54 (GMT) 30/3/65.
TO: J.I.C. LONDON. TOR 05.20 (GMT) 31/3/65.
INFO: B.H.C. NICOSIA.
TEL NO: JIG (CY) 209.
DATED: 30TH MARCH 1965.
PRIORITY.

356/2.

277/6.

TOP SECRET GUARD

FOR SECRETARY JIC, BHC FOR CHAIRMAN JIG CYPRUS. SA-2 MISSILES IN CYPRUS. PLEASE REFER TO JIC 251 OF 16TH MARCH, JIC 267 OF 17 MARCH AND ANNEX "A" TO PART ROMAN TWO OF IR 12/65.

1. WE ARE CONSIDERING WHETHER IT MIGHT BE POSSIBLE FOR A DEFENCE SYSTEM SUCH AS THE ONE MENTIONED IN PARA THREE OF ANNEX "A" TO BE MADE OPERATIONAL EARLIER THAN THE ESTIMATED FOUR TO SIX MONTHS IN OUR REPORT AND THE MINIMUM SIX MONTHS QUOTED IN YOUR JIC 251.

2. POINTS TO BE TAKEN INTO CONSIDERATION ARE:

(A) TWENTY MISSILE TRANSPORTERS AND A QUANTITY OF RADAR EQUIPMENT HAVE BEEN IDENTIFIED; IT IS QUITE POSSIBLE THAT SOME MISSILES ACCOMPANIED THESE SHIPMENTS AND ARE ALREADY ON THE ISLAND.

(B) TRAINING MAY HAVE STARTED IN NOVEMBER SOON AFTER THE CYPRIOT/ SOVIET ARMS DEAL.

(C) IT WOULD NOT TAKE LONG TO PREPARE SITES FOR LIMITED OPERATIONS WITHOUT FULL SUPPORT FACILITY BACKING.

(D) THE GREEKS/GREEK CYPRIOTS HAVE THE CAPABILITY AND DETERMINATION TO PUSH SUCH A PROJECT.

(E) IT WOULD NOT TAKE LONG TO CONVERT NIKE TRAINED PERSONNEL.

3. WOULD BE GRATEFUL FOR ANY OBSERVATIONS AND GUIDANCE.

DISTRIBUTION:- J.I.C. (2).

DI 40, MOD (THREE COPIES).

TOP SECRET

678 ~~Mr Watson~~
Dep (MOD) 3000

DNI.186/65

D.C.D.S. (I)

Copy to: D.M.I.
A.C.A.S.(I)
D.of D.I.C.
D.E.I.
S.A. to D.G.I. ✓

See separate
minutes of 30/3.
has taken to name
M.I.V. a report.
30/3. by
356/2 26/3

Supply of Soviet and Sino Arms to the New Commonwealth

In recent months the Navy Department and subsequently the Chiefs of Staff and CPD have been exercised about the provision of ships, submarines and dockyard facilities for India especially in the light of the Soviet offer to supply certain requirements notably 3 "F" Class submarines on favourable terms. As anything supplied to India causes a Pakistani reaction this is another factor that has to be taken into account.

2. Similarly a paper is now circulating within the Navy Department on the subject of the formation of a Tanzanian Navy and this is being co-ordinated prior to submission to the Chiefs of Staff. An important point in it is whether, if we do not provide men and money which can ill be spared, the Soviet Bloc or China would do so and what would be the implications.

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5. I feel however that it would be most helpful if a JIC paper could be produced to try to focus this whole subject and its particular application to the New Commonwealth countries.

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8. It is suggested that what is needed is an assessment of the political and military implications of Soviet or Sino supply to these countries and in particular the degree of damage that this would cause.

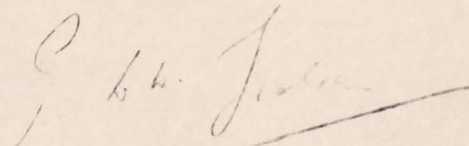
79.....

SECRET

SECRET

9. Such a paper could I suggest form a background to a further study by the Defence Planners which would presumably have the aim of determining the implications that pre-emptive supply by the U.K. would have on our own forces and thereby enabling some sort of balance to be struck and some order of priority to be assessed.

10. Perhaps this proposal could be discussed at the next pre-JIC meeting.



Director of Naval Intelligence
24th March, 1965

SECRET

SECRET

300

SECURITY WARNINGS

1. Category 'A' Cypher telegram. Paraphrase NOT required.
2. A telegram which contains a reference to any classified telegram or correspondence must itself be classified.
3. The Cabinet Office Communications Centre (Tel. No. WHI 5422 Ext. 196/197) must be consulted if it is desired to distribute or release this telegram, or any part of it, to a person or nation who would not normally be authorised to receive it.

FROM:- J.I.C. LONDON.

DTG 17.45. (GMT) 22/3/65.

TO:- J.I.G. CYPRUS.

TEL NO:- JIC 277.

DATED:- 22ND MARCH, 1965.

IMMEDIATE.

SECRET.

356/2/277/6

FOR SECRETARY JIG CYPRUS FROM SECRETARY JIC.

REFERENCE ATHENS TELEGRAM NUMBER 224 TO F.O. (OF 20 MARCH: CYPRUS)

PARAGRAPH 4 OF ATHENS TELEGRAM UNDER REFERENCE CONFIRMS THE STATEMENT

BY THE GREEK GOVERNMENT REPORTED IN PARAGRAPH 1(B) OF ATHENS

TELEGRAM NO: 215 THAT SHIPMENTS OF SOVIET ARMS TO CYPRUS HAD

BEEN SUSPENDED. WE WOULD BE GRATEFUL FOR YOUR VIEWS ON THE TRUTH

OF THIS STATEMENT AND THE EXTENT TO WHICH THE GREEK GOVERNMENT

VE BEEN RESPONSIBLE FOR ANY SUSPENSION FOR CONSIDERATION BY

HEADS OF SECTIONS AT 1515Z TOMORROW 23RD MARCH.

DISTRIBUTION:-

J.I.C. NORMAL.

SECRET

(THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT)

40
COPY NO. _____

E.I.S. (65)1(Final)

1st March, 1965

356/2

86/9

CABINET

ECONOMIC INTELLIGENCE STEERING COMMITTEE

SOVIET BLOC - FINANCIAL ARRANGEMENTS ASSOCIATED
WITH MILITARY ASSISTANCE TO THE LESS DEVELOPED
COUNTRIES

Report by the Economic Intelligence Steering
Committee

Attached is a short note showing by countries (in alphabetical order) estimates of the debts incurred by the less developed countries to the Soviet Bloc on account of military assistance programmes; the arrangements agreed, as far as they are known, for repayment, and, where relevant, an indication of the effect on their respective balances of payments. The stop date has been put at mid-1964. Further agreements since that date have been concluded but no details are available and the only countries involved which are not included in this brief survey are Cyprus and Tanzania.

2. For the purposes of estimating total debts due we assume that all deliveries have been completed.

3. Hard information on this subject is fragmentary and, with rare exceptions, imprecise. Nevertheless we believe the estimates given below to be of the right order of magnitude; but information on the arrangements to discharge the debts is very thin. We know that in some cases specific arrangements have been made and then varied (at the request of the debtor) and we believe that in other cases the whole question has been left open for subsequent negotiation.

Summary and Conclusions

4. Between 1955 and mid-1964, the Soviet Bloc undertook to supply military goods and services to some fourteen of the less developed countries and to Cuba, to an estimated value of \$1,700 million. We know that some of this aid was provided as, or quickly converted into, a free gift. We know also that much of the equipment provided was subject to certain discounts. On this basis we estimate the repayments total to be in the region of \$1,000 million, of which \$300 million has already been repaid. Details, as far as they can be unravelled, are as follows:-

SECRET

3m - estimates as at mid-1964
from USSR

Country	Net Price	Balance Due	Annual Repayments
Afghanistan	45	45	Nil at present
Algeria	12	12	" " "
Cambodia	0.5	0.5	" " "
Cuba	35	35	" " "
Ghana	1.5	1.5	" " "
Guinea	2.0	2.0	" " "
India	125	95	10
Indonesia	230	210	4.5 (in default)
Iraq	71	41	8
Mali	1	0.75	0.1
Morocco	1.5	Nil	-
Somalia	4.5	4.5	Nil at present
Syria	66	50	5
UAR	140+	117+	5
Yemen	6.5	6.5	Nil at present
Total	741.5	620.75	

Czechoslovakia

Country	Net Price	Balance Due	Annual Repayments
Cuba	5	5	Nil at present
Ghana	0.5	0.5	" " "
Indonesia	25	15	2 (in default)
Syria	24	9	2.5
UAR	120	30	10
Yemen	3.5	3.5	Nil at present
Total	178.0	63.0	

Poland

Country	Net Price	Balance Due	Annual Repayments
Indonesia	48	28	4.5 (in default)
Syria	6.5	2.5	0.2
UAR	20	0	-
Total	74.5	30.5	
Bloc Total	994.0	714.25	

SECRET

5. Thus, of the 15 countries in this list, 8 of them, owing the Bloc some \$116 million as follows (3m):-

	<u>USSR</u>	<u>Czechoslovakia</u>	<u>Poland</u>
Afghanistan	45.0		
Algeria	12.0		
Cambodia	0.5		
Cuba	35.0	5.0	
Ghana	1.5	0.5	
Guinea	2.0		
Somalia	4.5		
Yemen	<u>6.5</u>	<u>3.5</u>	<u>—</u>
Total	<u>107.0</u>	<u>9.0</u>	<u>Nil</u>

have so far paid nothing that we can trace. In certain cases, payments in full may be exacted at a later date, probably in the form of exports, but in others the Bloc may write the debt down.

6. Morocco alone of the countries to receive Bloc arms has redeemed its debt in full - and so far has refused further offers. Payment may have been made in French francs but this cannot be confirmed. Mali also, according to one report, is liquidating its debt of \$750,000 at the rate of \$100,000 a year - probably, if true, by the export of groundnuts.

7. The significant debtors, who have made some payments (with the amounts still outstanding in 3m) are:-

	<u>USSR</u>	<u>Czechoslovakia</u>	<u>Poland</u>
India	95	-	-
Indonesia	210	15	28
Iraq	41	-	-
Syria	50	9	2.5
UAR	<u>117</u>	<u>30</u>	<u>-</u>
Total	<u>513</u>	<u>54</u>	<u>30.5</u>

The latest information we have on the repayments position is:-

- (a) India to pay \$10m a year in blocked rupees which may be expended by the USSR on Indian goods available for export. we do not know exactly how this will work out, or even if the USSR will enforce the demand in case of difficulty;

- (b) Indonesia, under the latest repayments agreement was to pay in hard currency, a total of £11m a year, but is believed to have been in default since November, 1963;
- (c) Iraq is still paying the USSR at the rate of £8m a year in sterling and, given internal stability, should have no difficulty in meeting the obligation;
- (d) Syria is paying, with occasional delays, £7.7m a year mainly in sterling - a liability which is a significant factor in her chronic payments difficulties;
- (e) UAR has an agreement by which her total payments in any one year shall not exceed £15m in cotton exports, but is believed now to be seeking a moratorium because of acute difficulties in meeting payments to Western creditors.

8. The return on an outstanding debt of £700 million may therefore seem meagre, but the Bloc continues to supply arms under the existing agreements and to conclude new ones.

9. We estimate that the sum of nearly £300 million already paid was made up as follows (£m):-

	<u>USSR</u>	<u>Czecho-slovakia</u>	<u>Poland</u>	<u>Settlement</u>
India	30.0	-	-	Exports
Indonesia	20.0	10.0	20.0	Mainly Dollars
Iraq	30.0	-	-	Sterling
Mali	0.25	-	-	Exports?
Morocco	1.5	-	-	French Francs?
Syria	16.0	15.0	4.0	Mainly Sterling
UAR	23.0	90.0	20.0	Cotton exports
Totals	120.75	115.0	44.0	

but this is over a period of 10 years.

(Signed) KENNETH STRONG

Chairman, on behalf of
the
Economic Intelligence Steering Committee

Cabinet Office, S.W.1.

1st March, 1965

AFGHANISTAN

1. Beginning in 1956, Afghanistan had by mid-1964 purchased Soviet arms to a total net value estimated at \$45m. A further agreement for future deliveries was reached in June, 1964, but no details are yet available.
2. The original agreement provided for repayment, possibly by exports, over a period of eight years, beginning ten years after delivery, and the subsequent contracts were probably on the same terms. The problem of repayments has not therefore arisen yet, and no information is available on the method of settlement contemplated.
3. Afghanistan however, is in no position to meet this sort of commitment even over a period of eight years, either by exports or in cash. Her annual exports are probably worth little more than \$20m and her yearly adverse balance of payments is probably rather larger than her export earnings. It is unlikely that the Soviet Union expects Afghanistan to make anything more than token payments for arms, although technical assistance and soft vehicles will probably have to be paid for, as is normal in such cases.

ALGERIA

4. The Soviet Bloc has been supplying military equipment to Algeria since before Independence, but it was then almost certainly extended in the form of a gift. Since Independence one agreement has been signed - with the USSR - covering the supply of military equipment and the provision of technical and training assistance. The gross value of the aid is estimated at \$30m. The terms of the agreement are not known, but it seems probable that much of the equipment will be supplied in the form of a gift, and for the rest, if any, - we may for the present put it at \$12 million - a long grace-period allowed before any repayment need be made. Certainly no payment has been noted to date, and there is information that even the training is being given free of charge.
5. Some military assistance has been provided by China since 1962, but this also was probably free of charge.
6. We think, therefore, that the provision of military assistance by the Bloc has not so far affected the Algerian balance of payments and is not likely to do so perceptibly in the near future. If in due course the Algerian economy (which has been in decline since before Independence) revives, and particularly if large oil revenues begin to come in, the Soviet Union may demand payment for a proportion of the arms supplied, but it is impossible to speculate on this.

CAMBODIA

7. Cambodia has been receiving military assistance from the USSR since 1963. Probably everything supplied to date has been as a gift, but there is evidence that some

payment will have to be made for arms to be delivered in the near future. No details are available but we would put the figure tentatively at \$0.5m. China has also supplied military equipment to Cambodia, probably as a gift.

CUBA

8. The total value of Bloc military assistance to Cuba since 1960 is more than \$200m., nearly all of it provided by the USSR. Further supplies and spares continue to arrive, and there is also a large Soviet military aid mission in Cuba. Cuba may be defraying the local costs of this mission, but it is believed that there have been no arms payments and, in fact, a large proportion of the total value of this Soviet assistance appears to have been waived after the Cuba "crisis" in 1962. There is, however, a residual debt of perhaps \$35m to the Soviet Union and \$5m to Czechoslovakia.

9. We do not know the terms of repayment. The military debt is small by comparison with Cuba's indebtedness to Bloc countries on other accounts - about \$230m at the end of 1963 in respect of trade deficit credits, and \$35m for development credits. Repayment of the bulk of these civil credits is to begin in 1966 and may cost as much as \$35m - \$40m annually. Cuba's balance of payments position and her trading arrangements with Bloc countries are such, however, that there is almost no possibility that she will be able to meet the repayment schedules, or to bear any extra burden in respect of military debts. It is probable that repayments of the civil debt will be re-scheduled, and that the USSR, as Cuba's main creditor, will make any necessary adjustments for the military debt.

GHANA

10. In 1961, after having received gifts of small arms from the Soviet Union and Czechoslovakia Ghana concluded a military assistance agreement with the Soviet Union. There are no details of this, or of purchases which have followed from it, but deliveries made or promised, and military technical assistance granted so far, might be priced at about \$1.5m. It is unlikely that payments have yet become due for arms so far delivered and we have no record of any being made.

11. Over the last five years Ghana's total trade has been considerably in deficit and her trade with the Bloc (imports \$40 million and exports \$37.5 million) less so. The tendency has been to increase trade with the Bloc partly for ideological reasons, but largely in an attempt to open new markets for cocoa. We believe this increase has reached its limit. As this develops, Ghana should have no great difficulty in settling this small debt on account of arms already supplied, out of trade balances.

SECRET

GUINEA

12. In 1959 Guinea received arms from Czechoslovakia, worth perhaps \$500,000; it is thought that these were a gift. She concluded an agreement with the USSR in 1960; this probably gave her some arms gratis, and others, roughly estimated to be worth some \$2.0m, which may have been on credit terms entailing annual instalments of \$200,000 after a grace period; but there is no firm evidence on the point. Such military assistance as the Chinese may have provided is likely to have been given free.

13. Guinea's total imports were worth \$23m and her exports \$16m in 1962. Comprehensive recent figures are not available. Since Guinea has no means of earning foreign exchange other than her exports, the trade deficit is presumably financed by short-term commercial credit, longer-term development credits and other forms of aid, notably "Food for Peace". Her foreign exchange reserves have been negligible for the last two years.

14. Guinea's trade with the Soviet Union has been increasingly in deficit (at least from 1960 to 1962) and is probably still so. There is no evidence that any instalments of an arms debt have, in fact, been paid, and it seems reasonable to guess that, whatever the terms of the 1960 agreement, no payments are at present being made.

INDIA

15. India has been receiving Soviet military aid since 1960 and contracts have been signed to date worth about \$125 million. The first agreements required "payment on delivery" and we believe this was effected out of the accumulated trade surpluses India then had with the USSR. We put the figure tentatively at \$30 million.

16. For subsequent agreements the terms of repayment have varied. Some of them involve a credit of 5 or 10 years; but it has been reported that the aircraft factories will be supplied on an 8-year credit with an 8-year grace period. There is also information which suggests that India's present repayment obligations are running at about \$10 million a year. Payment is to be made in India in rupees which may be expended on Indian goods available for export. We know of nothing which gives the USSR the right to convert these rupees into any other currency, although there may be some such "after consultation" clause; and it is not known whether goods provided in settlement are subject to any re-export embargo.

17. India had a large overall trade deficit and a small deficit with the Soviet Union in 1963. India's exports to the USSR are expected to show a marked increase in 1964 but little surplus will remain if the full quota of imports from the Soviet Union (\$65 million) is taken up. Although the debt burden will be an increasing strain, more of it could be met if the USSR would accept a transfer of India's surplus in her clearing accounts with other East European countries, or rescheduling of her debt.

SECRET

18. In any case, there is no evidence to date that India's repayment obligations to the Soviet Union have made any inroads into her foreign currency earnings or resulted in the diversion of her exports from hard currency markets to the Soviet Union.

INDONESIA

19. The first deliveries of Soviet arms arrived in 1956, since when agreements have been concluded with the USSR for the provision of military aid (arms and training) to an estimated value (after discounts) of at least \$230 million - excluding the last agreement which we now know to have been signed in October 1964. Purchases from the East European countries began in 1958, and agreements have since been signed to an estimated total value of \$48 million with Poland and \$25 million with Czechoslovakia.

20. We lack full information on the repayments schedules but there are good grounds for believing that the USSR and Poland have been re-embursed to the extent of \$20 million each and Czechoslovakia, \$10 million. Most, if not all, of this we believe to have been paid in hard currency. These sums are known to be considerably below the amounts Indonesia originally contracted to pay. Each failure has been followed by a further re-phasing of the debt but as far as we know the final dates for discharge - probably 1978 in the case of the USSR, 1970 for Poland and 1972 for Czechoslovakia - have not yet been extended.

21. As things stand at present, Indonesia is probably committed to annual payments of \$4.5 million in respect of the USSR and Poland, and \$2 million to Czechoslovakia. (Hard currency earnings in 1963 have been estimated at about (\$185m). However no payments have been traced since November, 1963, and we think it unlikely that any have been made, but deliveries continue.

22. In the conclusions of BIS(65)2 we summarise the payments position thus: "despite an improvement in exports for the first half of 1964 the balance of payments position continues to deteriorate. It is now therefore considered probable that, in addition to her failure to meet her obligations to the Soviet Bloc, Indonesia will be forced to make arrangements for the postponement of at least \$9 million of her indebtedness to the West where her previous record for payment has been good".

IRAQ

23. Under four agreements with the Soviet Union concluded between November 1958 and June 1964, Iraq has bought military equipment to a value (after discounts) of \$71m. She has paid about \$30m of this debt, and about \$41m remains to be repaid, in sterling. The current estimated annual rate of repayment is \$7.7m, although it will decline after 1965 and payments on this account should be completed by 1973; but further new purchases are to be expected in the meantime

24. Iraq's foreign payments position is dominated by her oil revenue, which amounted to about \$95m a year in 1962 and \$110m in 1963, and are likely to be at least \$120m in 1964. Exports other than oil bring in \$10-20m a year, and imports cost between \$130m and \$150m; both these items vary with the fortunes of agriculture. Iraq had a bad year in 1962, when gold and foreign exchange reserves fell to their lowest recent level of about \$70m, but in 1963 reserves rose again by \$35m, i.e. by more than the amount of the \$30m loan from Kuwait received in October of that year. With oil revenues increasing by about 10% annually, Iraq's balance of payments is not seriously hampered by the current rate of repayment of the arms debt. From now on, if she can maintain stability internally and in her relations with the oil companies, she ought to be able to find increasing amounts of foreign exchange for development without unduly straining her reserves.

MALI

25. Mali concluded a military assistance agreement with the USSR in February 1961. Most of the equipment was provided as a gift and only about \$1 million was required to be repaid, during 1962-1973. Repayments according to one report amount to about \$0.25 million to date and should continue at the rate of about \$100,000 a year.

26. Mali's groundnuts and cotton are weak competitors in Western markets with those of other countries. Mali is having difficulty in meeting her current obligations, her foreign exchange reserves are negligible, and she has this year adopted a policy of restricting imports to essentials. She could probably find \$100,000 worth of groundnuts to export annually to the Soviet Union by way of instalments on the arms debt, but even this would represent some additional strain on her limited resources.

MOROCCO

27. Morocco received a gift of aircraft from the USSR in 1961 and signed a military assistance agreement with the Soviet Union in 1962 to a net value of about \$4-5m. However, only part of the equipment has so far been delivered, and nothing since January 1963. The Moroccans seem to have made only one repayment of about \$1m (possibly in French francs), which may cover the net value of the military aid provided by the USSR to date. An offer by the USSR at the end of 1963 to resume deliveries appears to have been refused.

SOMALI REPUBLIC

28. In 1962 the USSR agreed that a part - probably small - of its \$15m economic development credit, extended in 1961, could be used by the Somali's to build army barracks and ammunition depots and to pay for the training in the USSR of some Air Force personnel. In October 1963, a military assistance agreement between the USSR and the Somali Republic was concluded, providing for military aid estimated at \$14¹/₂m. However, \$10m of this aid is extended in the form of a gift, and a long-term loan of \$4¹/₂m covers the balance. Probably no repayment has been made to date and it is not known in what form or over what period repayment has been undertaken. It is possible that no firm agreement has been reached.

29. The Somali economy is kept going almost entirely by foreign economic assistance. The Budget and foreign trade accounts show an annual deficit of about \$2m each: the 1963 Budget provides for an expenditure of \$9.4m and a revenue of \$7.3m, while exports and imports amount to approximately \$10m and \$12m respectively. These deficits are covered by foreign grants and subsidies. The current economic development plan is financed largely by foreign assistance.

30. In relation to Somali resources, therefore, any annual payment on account of arms would be a difficult burden to carry. The Somali Republic is, in any case, not self-supporting and any fresh commitments would simply increase its demands for annual assistance grants and credits from foreign governments.

SYRIA

31. By a series of agreements which began in 1956, Syria has purchased military equipment priced at \$24m from Czechoslovakia, \$6.5m from Poland and \$66m from the USSR. (This takes no account of new agreements known to have been signed in 1964, but about which we have no details). It is estimated that \$15m of the Czech, \$4m of the Polish and \$16m of the Soviet account has now been paid, leaving balances of \$9m, \$2.5m and \$50m outstanding. The current rate of repayment is estimated at \$2.5m a year to Czechoslovakia, \$200,000 to Poland and probably about \$5m to the USSR.

32. The figures for Syria's trade with the Soviet Union and the Eastern European countries for the years 1961-63 do not suggest that Syria has been paying off her arms debts by exports: this would require an export balance of about \$7-8m a year, whereas the figures are approximately in balance, except for a \$4m export surplus with the USSR in 1963. Such repayment as has taken place is, therefore, likely to have been mainly in sterling, as laid down in the original contracts.

33. Syria's balance of trade has for many years been adverse; her balance of payments on current account is assisted by oil transit revenues, which are increasing, but bad harvests and a persistent flight of capital have resulted in an adverse balance of total payments in every recent year except 1962. In view of her trade balance, Syria's foreign exchange reserves, at about \$27m, have been low since mid-1963: she has fallen into arrears in meeting current short-term payments, and has been helped out by stand-by credits from the IMF in 1960, 1962 and 1964. The burden of repaying the arms debt must be a significant factor in her chronic payments difficulties. The available evidence, though not conclusive, suggests on balance that payments continue at about the due rate: but it is to be assumed that there are at least occasional delays.

UAR (Egypt)

34. Czechoslovakia and Poland began supplying arms to Egypt in 1955, and the USSR in 1957. Of a total cumulative indebtedness of about 3280m in mid-1964, we estimate that 390m has been repaid to Czechoslovakia, 320m to Poland and 323m to the USSR, leaving outstanding 330m to Czechoslovakia and 3117m to the USSR.

35. We believe that since an early stage in these dealings the suppliers have agreed to take payment in Egyptian cotton, and to arrange credit in such a way that each year's instalment would be limited to an amount not in excess of 315m. This is partially borne out by the average apparant surplus in Egyptian published statistics of trade with the Bloc. It seems probable, though we cannot be sure, that there is machinery within the Bloc for transferring trade balances among members in order to make adjustments for the payments due on arms account. On this basis it looks as if the debt to Czechoslovakia is being liquidated at the rate of 310m a year and the debt to the USSR by 35m a year. In 1967 and thereafter, the rate to the USSR was to be stepped up to the full 315m.

36. This year Egypt is suffering more than usually acute difficulties in her payments to Western creditors. She appears to be under pressure to increase her sales of cotton to the West by perhaps as much as 315m. This could only be done at the expense of her exports to the Bloc. Other things being equal, this would, in effect, be asking for a moratorium on the arms debt. How the USSR will re-act remains to be seen.

THE YEMEN

37. The Yemen made agreements for military supplies with Czechoslovakia and the USSR between 1956 and March 1964 to the value of, probably, 310 million. An undertaking to repay, in sterling, some of the earlier credits, amounting to 33.8m has probably been waived, and it is not thought that any payment has been, or is being made, under the more recent agreements. Some military assistance has been provided by China, probably free of charge.

38. There is no reliable quantitative information on the Yemen's economic condition since the revolution of September 1962, but it seems fairly certain that any payments the Yemen may be able to make for arms in the foreseeable future will only be possible by virtue of the continuing inflow of credit.

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E. I. S. (65)1(Final)(Addendum)

26th February, 1965

CABINET

ECONOMIC INTELLIGENCE STEERING COMMITTEE

SOVIET BLOC FINANCIAL ARRANGEMENTS ASSOCIATED
WITH MILITARY ASSISTANCE TO THE LESS DEVELOPED COUNTRIES

Note by the Secretaries

The 'Final' version of this report has been distributed
as shown below.

(Signed) M.G.L. JOY
P.A.T. HALLIDAY
P. Le CHEMINANT
C.B. NIXON

Cabinet Office, S.W.1.

26th February, 1965

DISTRIBUTION

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Chief of General Staff, Ministry of Defence
Chief of Air Staff, Ministry of Defence
Economic Intelligence Steering Committee

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Political Adviser to C-in-C F.E., Singapore.

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M.O.D. Form 4

MEMORANDUM

356/2.

297

To JIC Secretariat
Cabinet Office
Whitehall

From DNI

Ref. NI(13E)11/65

Tel. WHI 7022

Ext. 2404

Date 12th January 1965

SUBJECT SOVIET FPBs

I would be grateful if you would send the following to JIG Cyprus:

"It seems probable that the first ^{four} five MTBs to be supplied to the Cypriot Navy under the Soviet Aid agreement will be of the P4 Class. These are smaller than the Egyptian P6s, and have to date been supplied to Syria and Cuba.

Their dimensions and armament are as follows:

Tonnage	37 tons
Length Overall	65 feet
Maximum Beam	12 feet 9 inches
Maximum Draught	4 feet 10 inches

Armament 2 Twin Machine Gunmountings or (if fitted with Radar)
1 Twin Machine Gunmounting
2 Single 18" Torpedo tubes
Depth charges can be carried and 4 mines can be carried in lieu of torpedoes.

Propulsion System
2 1200 HP MSDF Diesels giving a maximum speed of 45-50 knots
Endurance is about 400 nms @ 30 knots
4½ tons of fuel carried

Complement 2 Officers and 10 ratings

General Hull is aluminium. Some units carry Skinhead Surface warning radar in lieu of the Machine Gun mounting normally fitted abaft the Bridge.

... A type photo is attached."

Signature of Sender

David Wheeler

Name in Block Letters

D.E. WHEELER

Rank/Appointment
LT.CDR/DI(NI)4.

Complete this Form in Manuscript unless there are special reasons for Typing.

SECRET

SECRET

296 S/F

CABINET OFFICE,

Whitehall,

London, S.W.1.

12th January, 1965

...

The Director of Naval Intelligence has asked me to forward to your Group the attached details of the MTBs that are to be supplied to the Cypriot Navy under the Soviet aid agreement.

(J.M.C. VIVIAN)
for Secretary,
Joint Intelligence Committee

Wing Commander H.H. Pickard,
Secretary,
Joint Intelligence Group, Cyprus
H.Q. B.F.C.

Copy to:- D.N.I.

SECRET

SECRET

ATTACHMENT to J.I.C./82/356/2
dated 12th January, 1965

SOVIET FPBs

It seems probable that the first four MTBs to be supplied to the Cypriot Navy under the Soviet Aid agreement will be of the P4 Class. These are smaller than the Egyptian P6s, and have to date been supplied to Syria and Cuba.

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Endurance is about 400 nms @ 30 knots

4½ tons of fuel carried

Complement

2 Officers and 10 ratings

General

Hull is aluminium. Some units carry Skintlead

Surface warning radar in lieu of the Machine

Gun mounting normally fitted abaft the Bridge.

A type photo is attached.

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SF 272

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TO BE RETURNED TO THE SECRETARY, JOINT INTELLIGENCE COMMITTEE

Reference J.I.C.(63)55 (Terms of Reference)

46

12th August, 1963

COPY NO.

CABINET

JOINT INTELLIGENCE COMMITTEE

SOVIET ARMS EXPORTS

Note by the Secretary

The report quoted above, issued under J.I.C.(63)55 (Terms of Reference) has now been cancelled.

2. All copies should be returned to the Secretary, Joint Intelligence Committee immediately.

Cabinet Office, S.W.1.

12th August, 1963

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270 S/R 11

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J.I.C./548/63

COPY NO. 24

CABINET

JOINT INTELLIGENCE COMMITTEE

SOVIET ARMS EXPORTS

(Previous Reference: J.I.C./447/63)

In the Terms of Reference for J.I.C.(63) 55 "Soviet Arms Exports" the J.I.S. (First Team) were required to examine Soviet Policy in regard to the export of missiles and other advanced weapons to other countries both within and without the Sino-Soviet Bloc.

2. With this in view the J.I.B. review (circulated under cover of J.I.C./447/63) of Sino-Soviet Bloc Arms Supply Activities during 1962 has been studied. It gives details of estimated arms deliveries and training aid to non-Bloc countries during recent years.

3. The Results of the J.I.S. examination, which are outlined at Annex, do not indicate any pattern or general policy governing Soviet arms exports and the conclusions drawn are rather simple and straightforward. Moreover it is doubted whether a more exhaustive study would enable the J.I.S. to make any more significant deductions.

4. The J.I.S. believe, therefore, that in the light of these considerations preparation of the projected paper is not worthwhile. Unless I am instructed to the contrary (Ext. 139) by 5 p.m. on Friday, 9th August, 1963, your agreement with the J.I.S. proposal will be assumed.

(Signed) A.P. WALLINGTON SMITH
Secretary,
Joint Intelligence Committee

Cabinet Office, S.W.1.

30th July, 1963

DISTRIBUTION

J.I.C.
J.I.S.(First Team)

SECRET

ANNEX TO J.I.C./548/63

REPORT BY THE J.I.S.(FIRST TEAM)

We were required to examine Soviet Policy in regard to the export of missiles and other advanced weapons to other countries both within and without the Sino-Soviet Bloc.

2. As a result of a preliminary study we decided that there was no criterion, common to all recipient countries, for distinguishing between advanced and other weapons and, therefore, all arms exports should be included in the study.

Warsaw Pact

3. The policy for supplying Soviet Arms to Warsaw Pact countries is governed primarily by military considerations and there is no alternative source for these countries except domestic production. As regards nuclear weapons, we know that certain Warsaw Pact countries have been supplied with the means of delivery, but we believe that they have not been supplied with nuclear warheads.

China

4. The supply of Soviet arms to China is governed entirely by political considerations. It stopped in 1960 and at present is very unlikely to recommence.

5. The export of arms to foreign countries has the following advantages for the Soviet Union:-

(a) Political

- (i) The more a country can be persuaded to rely on the Soviet Union for the supply of military material, spare parts, and instructors, the more influence the Soviet Government may hope to be able to exert on the policies of that country.
- (ii) The large numbers of advisers and technicians required by the recipient countries, particularly in the case of advanced weapons systems, constitute a Soviet presence in that country.

(b) Foreign Exchange

The Soviet Union has a surplus of military equipment and weapons, including some comparatively advanced weapons systems such as SAM. In spite of granting long credit terms in the majority of cases, she obtains some benefit for her foreign exchange reserves by disposing of some of this surplus to foreign countries. To this can be added the charges made for the services of military advisers and technicians and the provision of training facilities in the Soviet Union.

6. Certain facts stand out from the J.I.B. analysis and can be explained as follows:-

(a) Increased Value of Exports. The value of Soviet arms exports has fluctuated year by year since 1955, but overall it has increased substantially. Whilst to some extent this reflects the increased availability of modern equipment surplus to Soviet Bloc needs, it is mainly due to the seizing of opportunities as they occur e.g. the British withdrawal from Egypt in 1955, the rebellion in Iraq in 1958, and Indonesian expansionist aims in West Irian. Over the years there has been a steady increase in the number of countries who have accepted Soviet military aid.

(b) Priorities. It is clear that Soviet efforts have been particularly directed at countries which are, or could be encouraged to, pursue policies inimical to Western interests, e.g. Cuba and Indonesia.

(c) Advanced Weapons. We have considered whether the export of such advanced weapons as missiles in the last two years reflects a change of Soviet policy. We believe that this is not so, and that it can be explained by -

(i) the availability of such weapons surplus to Soviet requirements;

(ii) more ambitious demands from certain countries.

It is these advanced weapons which are the main reason for the very great increase in Soviet Advisers and technicians stationed abroad between 1961 and 1962.

7. - Nuclear warheads. It should be noted that there has been no evidence that the Soviet Government has supplied nuclear warheads to any foreign country.



IN REPLY PLEASE REFER
TO.....

OFFICE OF THE

HIGH COMMISSIONER FOR CANADA

CANADA HOUSE,

LONDON, S.W.1.

S/F 11 254
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L0-199

March 19, 1963.

Dear John,

I am enclosing copies 110-125 of Canadian JIC paper 462/1(63) of March 6, 1963 on "The Military Aid Programme of Soviet Bloc Countries" and copies 133-147 of C/JIC 459/1(63) of March 6 on "Communist Economic Activities in Underdeveloped Areas". *"* *11/27*

Yours sincerely,

P.A.E. Johnston

J.C.A. Roper, Esq.,
Secretary, JIC,
Cabinet Secretariat,
Great George Street,
S.W. 1.

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